



City of
Manhattan Beach

2024

ANNUAL COMPREHENSIVE FINANCIAL REPORT

MANHATTAN BEACH
CALIFORNIA

FOR THE YEAR ENDED
JUNE 30, 2024



www.manhattanbeach.gov



CITY OF MANHATTAN BEACH, CALIFORNIA

Annual Comprehensive Financial Report

For the Year Ended June 30, 2024



Prepared by the Finance Department

Onyx Jones, Interim Finance Director



CITY OF MANHATTAN BEACH, CALIFORNIA

Annual Comprehensive Financial Report

For the Year Ended June 30, 2024

Table of Contents

Page
Number

INTRODUCTORY SECTION

Letter of Transmittal	i
Directory of City Officials	ix
Organization Chart	x
Certificate of Achievement for Excellence in Financial Reporting	xi

FINANCIAL SECTION

Independent Auditors' Report	1
Management's Discussion and Analysis	7

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements:	
Statement of Net Position	25
Statement of Activities	26
Governmental Funds - Fund Financial Statements:	
Balance Sheet	30
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	31
Statement of Revenues, Expenditures and Changes in Fund Balances	32
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Proprietary Funds Financial Statements:	
Statement of Fund Net Position	34
Statement of Revenues, Expenses and Changes in Fund Net Position	35
Statement of Cash Flows	36
Fiduciary Funds Financial Statements:	
Statement of Fiduciary Net Position	38
Statement of Changes in Fiduciary Net Position	39
Notes to Financial Statements	43

CITY OF MANHATTAN BEACH, CALIFORNIA

Annual Comprehensive Financial Report

For the Year Ended June 30, 2024

Table of Contents

	<u>Page Number</u>
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – General Fund	93
Pension Plan:	
Miscellaneous Plan	
Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios	94
Supplemental Retirement Plan	
Schedule of Changes in Net Pension Liability and Related Ratios	96
Schedule of Investment Returns	99
Single Highest Year Plan	
Schedule of Changes in Net Pension Liability and Related Ratios	100
Schedule of Investment Returns	102
Safety Plan	
Schedule of Proportionate Share of Net Pension Liability/(Asset)	103
Schedule of Plan Contributions	
Miscellaneous Plan	105
Supplemental Retirement Plan	105
Single Highest Year Plan	105
Safety Plan	105
Single Employer OPEB Plan	105
Other Post-Employment Benefits	
Schedule of Changes in Net OPEB Liability/(Asset) and Related Ratios	106
Notes to Required Supplementary Information	108
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Combining Balance Sheet - Nonmajor Governmental Funds	112
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	116
Budgetary Comparison Schedules - Special Revenue Funds:	
Street Lighting and Landscape	120
Gas Tax	121
Asset Forfeiture	122
Public Safety Grants	123
Proposition A	124
Proposition C	125
AB 2766	126
Measure R	127
Measure M	128
Measure W	129

CITY OF MANHATTAN BEACH, CALIFORNIA

Annual Comprehensive Financial Report

For the Year Ended June 30, 2024

Table of Contents

Page
Number

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES (Continued)

Budgetary Comparison Schedules - Capital Projects Funds:	
Capital Improvement	130
Bond Construction	131
Underground Assessment District	132
Combining Statement of Net Position - Nonmajor Enterprise Funds.....	134
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Nonmajor Enterprise Funds	135
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	136
Combining Statement of Net Position - Internal Service Funds.....	138
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds	139
Combining Statement of Cash Flows - Internal Service Funds	140

STATISTICAL SECTION

Financial Trends	
Net Position by Component	146
Changes in Net Position	148
Program Revenues by Function/Program	152
Fund Balances, Governmental Funds	154
Revenue Capacity	
Change in Fund Balances, Governmental Funds.....	158
Taxes & Assessment Revenues by Source, Governmental Funds and Assessment.....	161
Assessed Value and Estimated Actual Value of Taxable Property	162
Direct and Overlapping Debt Property Tax Rates	164
Principal Property Taxpayers Based on Net Values.....	165
Property Tax Levies and Collections	167
Taxable Sales by Category.....	168
Direct and Overlapping Sales Tax Rates.....	170
Principal Sales Tax Remitters.....	171

CITY OF MANHATTAN BEACH, CALIFORNIA

Annual Comprehensive Financial Report

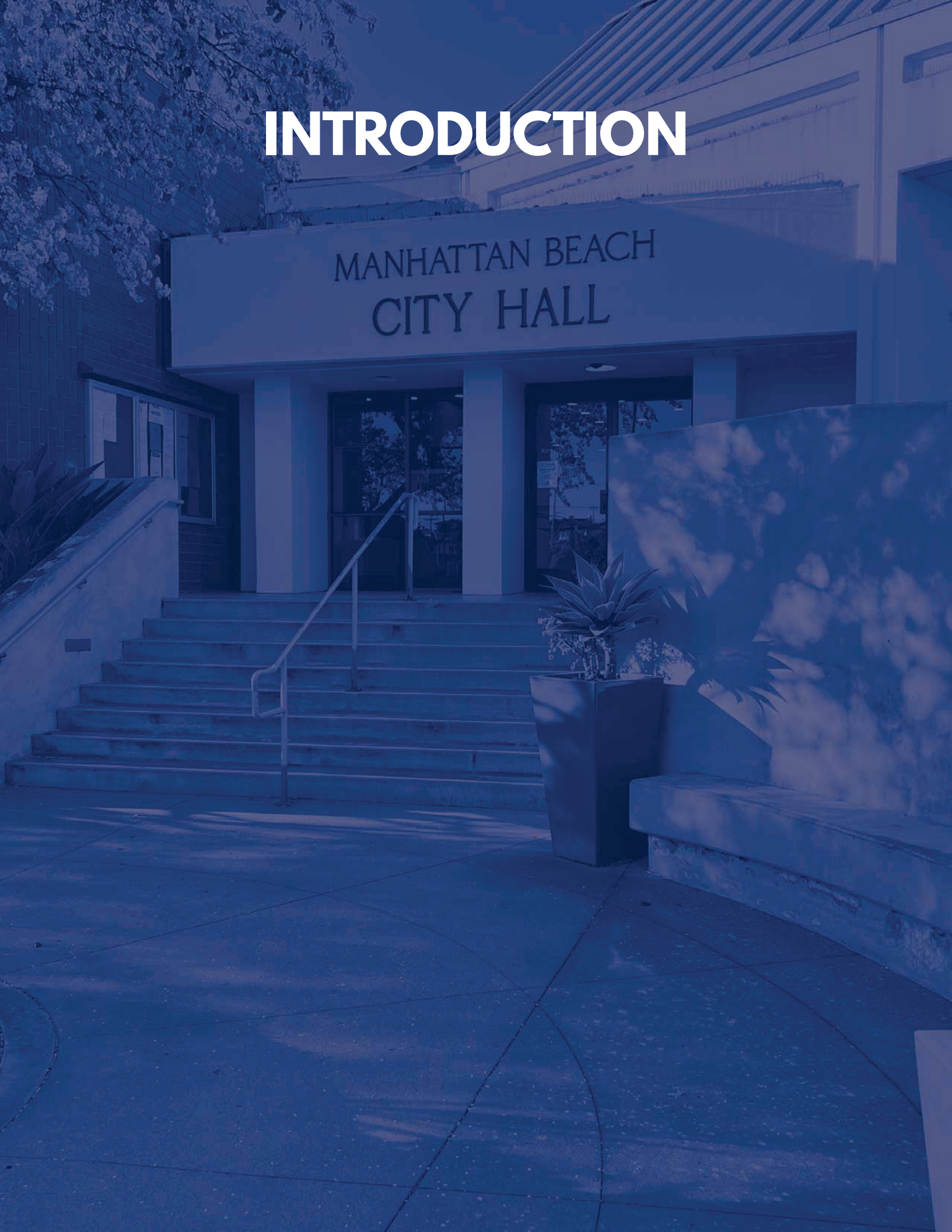
For the Year Ended June 30, 2024

Table of Contents

	<u>Page Number</u>
STATISTICAL SECTION (Continued)	
Debt Capacity	
Ratios of Outstanding Debt by Type	174
Direct and Overlapping Governmental Activities Debt	177
Legal Debt Margin Information	178
Pledged-Revenue Coverage	180
Demographic and Economic Information	
Demographic and Economic Statistics	184
Principal Employers	185
Full-time Authorized City Employees by Function/Program	187
Schedule of Insurance in Force	188
Operating Indicators by Function/Program	190
Capital Asset Statistics by Function/Program	191
Demographic Statistical Data	192
Bond Disclosure Section	195

INTRODUCTION

MANHATTAN BEACH
CITY HALL







City Hall	1400 Highland Avenue	Manhattan Beach, CA 90266-4795
Telephone (310) 802-5000	FAX (310) 802-5001	TDD (310) 546-3501

February 12, 2025

Honorable Mayor, Councilmembers and Citizens of Manhattan Beach
Manhattan Beach City Hall
Manhattan Beach, California 90266

We are pleased to present the Annual Comprehensive Financial Report of the City of Manhattan Beach for the Fiscal Year ended June 30, 2024. This report has been prepared in accordance with generally accepted accounting principles as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB). We are also pleased to report that the City has received an unmodified opinion from the independent auditor, meaning that financial statements are presented, in all material respects, in accordance with the applicable financial reporting framework.

The City's financial policies require an external independent audit be performed annually, and that the auditor's opinions be included in the Annual Comprehensive Financial Report (ACFR). Further, it states that the results be reviewed with the Finance Subcommittee, which met with the auditor and discussed the results on February 13, 2025.

Responsibility for the accuracy of the data and the fairness of presentation, including all footnotes and disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All material statements and disclosures necessary for the reader to obtain a thorough understanding of the City's financial activities have been included.

City management is responsible for establishing and maintaining fiscal internal controls designed to safeguard the assets of the government from loss, theft or misuse, and to ensure that accounting data is accurately compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits likely to be derived, and the valuation of costs and benefits require estimates and judgments by management.

The City's financial statements have been audited by Lance, Soll & Lunghard, CPAs, an accounting firm selected by the City Council, based on a recommendation from the Finance Subcommittee. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the City of Manhattan Beach's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with generally accepted accounting principles (GAAP).

The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management Discussion and Analysis. This letter of transmittal is designed to complement the Management Discussion and Analysis (MD&A) and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

Profile of the Government

The City of Manhattan Beach is located in the South Bay region of Los Angeles County. The current population¹ is 34,195. The City encompasses approximately four square miles.

Incorporated in 1912 under the general laws of the State of California, the City operates under the Council-Manager form of government. The City Council is comprised of five members elected at-large for overlapping four-year terms. Each member may serve as Mayor for a nine-month period once during his or her four-year term in office. The City Treasurer is also elected to a four-year term and serves as the chairperson for the Finance Subcommittee. City Councilmembers are limited to two consecutive terms. The City conducts its elections with statewide elections scheduled in November.

The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and appointing the City Manager and City Attorney. The City Councilmembers also serve as the governing body of the Manhattan Beach Capital Improvements Corporation (please see Note 1 in the ACFR for more information).

In addition, the City Council appoints the members of the following advisory Boards and Commissions:

- | | |
|-------------------------------|---|
| Planning Commission | Parking and Public Improvements Commission |
| Parks & Recreation Commission | Board of Building Appeals |
| Library Commission | Business Improvement District Advisory Boards |
| Cultural Arts Commission | |

The City is a full-service municipality, and provides a variety of services to the community, including:

- | | |
|----------------------------------|--------------------------------|
| Police services | Fire and paramedic services |
| Culture and recreation | Building and safety |
| General government | Water and wastewater utilities |
| Stormwater management | Parking facilities |
| Street and landscape maintenance | |

Budget Process

The City operates on an annual budget schedule. The budget development process begins in January of each year. Line-item budget development is accomplished through the City’s financial system, which allows each department to build its budget using computerized worksheets. Each department is responsible for developing the Materials & Supplies line items and part-time employee salaries. The remaining Salary & Benefit information is calculated and entered by the Finance Department.

The Finance Director, in coordination with the applicable operating departments, provides the City Manager with proposed revenue projections. These revenue estimates are reviewed with the department budget requests to determine available funding levels for the fiscal year. Supplemental budget requests (new personnel, services or equipment) are subject to City Manager review and approval before becoming part of the proposed operating budget. This process applies to all governmental and enterprise funds.

The City Manager and Finance Director meet with the departments to review all operating expenditures and budget change requests. After this final review and approval by the City Manager, the proposed budget document is presented to the City Council in May. Budget study sessions and a public hearing are then held by the City Council. The budget is adopted by resolution prior to June 30.

During the fiscal year, the budget can be amended as necessary to meet the City’s needs. The City Council has the legal authority to amend the budget at any time. Department Heads and their designated representatives may only authorize expenditures based on appropriations approved by City Council action, and only from accounts under their organizational responsibility. Actual expenditures may exceed budget appropriations by line-item. However, total expenditures within each fund may not exceed the total appropriation for that fund. The City Manager has the authority and discretion to approve interdepartmental appropriation transfers as long as they are within the same fund. Inter-fund transfers require a budget amendment by the City Council.

¹ State of California, Department of Finance, E-1 Population Estimates for Cities. Sacramento, California, May 2024.

Financial Policies

In fiscal year 1997-1998, the City Council approved the City's first set of financial policies, designed to promote sound financial management and ensure that the City's fiscal integrity remains intact as staff and Councilmembers change. The Policies are reviewed and re-adopted every year with the City's Operating Budget in June.

While presenting General Fund balance in accordance with GASB pronouncements, the City Council has established certain policy "reserves" within what GASB defines as the unassigned category. The unassigned category is the residual classification of fund balance that is not in restricted or committed classifications. In the General Fund section of this transmittal letter, General Fund unassigned balance is broken down in accordance with City Council Financial Policy.

Long Term Planning

Each year during the budget process, the City develops a five-year forecast of revenues and expenditures for all funds. In fiscal year ending June 30, 2024, the General Fund transferred approximately \$2.4 million in subsidies to the Storm Drain Fund. In January 2024, the City concluded a Proposition 218 storm drain fee increase ballot process, which is anticipated to alleviate future General Fund subsidies to the Storm Drain Fund. The new fees will first be effective in fiscal year 2024-2025 with anticipated assessments totaling \$2.1 million. The Street Lighting and Landscape Fund is still operating at a deficit and will continue to require General Fund subsidies, which may only be mitigated by a Proposition 218 vote. The most recent five-year forecast can be found in the fiscal year 2024-2025 Adopted Budget, available online at www.manhattanbeach.gov/budget.

Major Initiatives

Lot 3 Parking Structure Redevelopment Project

The Lot 3 Parking Structure, located at the southwest corner of Morningside Drive and 12th Street in Downtown Manhattan Beach, was a City-owned facility constructed in 1971. This three-story structure contained 145 parking spaces supporting visitors and businesses in the Downtown area.

In July 2024, the structure was closed indefinitely following a series of onsite inspections and structural assessments that revealed advanced deterioration, significantly compromising its integrity. By November 2024, the City fully demolished the structure, including the floor slab and below-grade footings. Plans for an at-grade parking lot will be constructed as a temporary replacement for the lost parking spaces until the redevelopment project begins.

Simultaneously, the City retained a consultant to perform an economic analysis to identify the highest and best use of the site and assess the viability of various redevelopment options. The findings from this analysis will be presented to the City Council with the project expected to proceed to a concept-level design phase to further explore the feasibility of preferred redevelopment options.

Ocean Protection Program

The Beach Cities Watershed Management Group (Beach Cities WMG), comprising Manhattan Beach, Hermosa Beach, Redondo Beach, Torrance, and the Los Angeles County Flood Control District, developed the Watershed Management Program (WMP) to comply with the LA MS4 Permit. Manhattan Beach is addressing its compliance obligations through three key projects.

The TMDL Trash Treatment Project targets 40% of the City's watershed with hydrodynamic trash separator units and trash screening devices at key locations. Construction began in August 2024, with completion expected by spring 2025, funded by an \$830,000 Proposition 1 Round 2 grant.

The 28th Street Stormwater Infiltration Project will manage stormwater from the 28th Street drain, which collects 60% of the City's runoff. The project includes sedimentation chambers and drywells, with construction slated for mid-2025. Funding totals \$30.6 million from programs like Safe, Clean Water, and Proposition 1.

The Dominguez Channel Stormwater Treatment Project will capture stormwater from a 255-acre area in Northeast Manhattan Beach to reduce pollutants entering the channel and Pacific Ocean. The City is working to develop the design and apply for Measure W grant funding.

These projects reflect the City's commitment to enhancing water quality, reducing pollution, and ensuring regulatory compliance.

Housing Element Implementation

In September 2022, the City Council adopted the City's 6th Cycle Housing Element. Upon making additional revisions, the final version was certified by the California Department of Housing and Community Development (HCD) in July 2023, affirming compliance with State housing law. Since then, the City has been working on implementing a series of programs to further the goals in the document and maintain its certified status. This includes a series of amendments to the development standards and processes contained within the Manhattan Beach Municipal Code and the Manhattan Beach Local Coastal Program to ensure conformance with State law. Another aspect of the implementation work was the creation of a Residential Overlay District (ROD) to allow development of high-density residential projects on select commercial properties in the City. Over the past year, staff has engaged with a number of interested developers to discuss potential ROD projects on eligible sites. Ultimately, implementation of the Housing Element will help achieve its goal of facilitating housing production to meet the City's housing needs during the 6th Cycle planning period of 2021 – 2029.

Long-Term Outdoor Dining Program

During the COVID-19 pandemic, the City allowed temporary outdoor uses for a variety of businesses due to restrictions on indoor operations. As the focus gradually shifted from temporary uses to post-pandemic operations, the City Council directed staff to form a 15-member ad hoc task force to develop a long-term outdoor dining program. In April 2023, the Outdoor Dining Task Force was established, comprised of community members representing residential, commercial, and quasi-judicial stakeholders. Since September 2023, staff has provided four periodic status updates before the City Council summarizing the progress of the program development and task force recommendations that include, but are not limited to, the program vision, scope, and regulations.

Staff has also been working with an outdoor dining consultant team since June 2023. The consultant assists the City in specialized subject areas such as engineering and design, community outreach, environmental documentation, fiscal impact analysis, and other related topics, to expedite the development process and supplement the necessary resources that are currently not available in-house. In October 2024, the consultant team finalized preliminary plans that analyzed the technical feasibility of the preferred program vision. Currently, plans for a subsequent community meeting in January 2025 is underway which will showcase the program development and task force recommendations to date.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

The South Bay region is home to a number of industries including aerospace, entertainment, technology, leisure and tourism, and manufacturing. Economists report that the South Bay area has strong fundamentals including high levels of education, high incomes and competitive industries. The most recently available figures indicate that Manhattan Beach has a 4.3% unemployment rate, compared to Los Angeles County at 6.1% and the State of California at 5.4%².

The City's largest General Fund revenue source, Property Tax, grew by 4.9% (\$2.0 million) in FY 2023-2024. Assessed valuations, which indicate tax revenue and help propel property tax growth, are projected to increase by 5.2% in FY 2024-2025, driven by demand and resulting price escalations in the local housing market. Single-family homes valued at pre-1978 levels (before Proposition 13) continue to turn over, resulting in higher assessed valuations being added to the property tax rolls.



² State of California, Employment Development Department, October 2024 (Preliminary)

Long-Term Pension Liability and Issuance of Pension Obligation Bonds

As a service organization, labor accounts for the majority of the City's costs - approximately 60% in the General Fund. As a proactive measure, and to take advantage of historically low borrowing rates, the City issued \$91 million of Pension Obligation Bonds (POBs) in May 2021. This transaction replaced all of the City's pension liability for debt service. The final spreads reflected the strength of the City's conservative financial management and AAA credit rating, resulting in a True Interest Cost (TIC) of 2.72%. Issuance of the POBs also stabilized rising pension liability costs by creating level debt service payments of \$5.5 million over 22 years and an estimated budgetary savings of \$43.5 million through the final maturity date in 2043. Fluctuating interest rates can dramatically affect the Unfunded Accrued Liability (UAL). Since the issuance of POBs, the City's UAL totaled \$24.3 million, primarily driven by a negative 6.1% investment loss in FY 2021-2022.

EXECUTIVE FINANCIAL OVERVIEW

This top level overview is presented as a supplement to the more detailed and comprehensive analysis presented in the MD&A. As such, it serves to highlight key financial performance indicators for our major funds. We encourage readers to review the MD&A for a further analysis of the City's financial condition.

General Fund

The General Fund is the primary operating fund of the City of Manhattan Beach. The General Fund balance increased by \$1,695,909 from the prior year. The increase is attributable to net revenues over expenditures of negative \$3,650,344, offset by Other Financing Sources (transfers-in, transfers-out) of \$5,346,253. Transfers-in included \$275,434 from the County Parking Lot Fund in line with the contract with the County of Los Angeles and \$500,000 from the Information Technology Fund to alleviate excess fund balance. Transfers-out comprised of subsidies to other funds to support operations, including \$1,994,920 to the Capital Improvement Fund, \$2,376,698 to the Stormwater Fund, \$252,991 to The Street Lighting and Landscape Fund, and \$208,286 to the Fleet Fund for the purchase of vehicles.

The Pension Trust Fund and the PARS Investment Trust Fund is included in the General Fund balance. At the end of fiscal year 2024, the total General Fund balance equaled \$40.4 million, of which \$5.3 million is either non-spendable or restricted and \$57,289 is assigned to City retirement plans, leaving an unassigned fund balance of \$35.0 million. Within the unassigned fund balance, City Council has established earmarks for financial policies and economic uncertainties of \$22.6 million, leaving \$12.4 million available for use at City Council's discretion.

Nearly all General Fund revenue categories increased from the prior year except for Fines and Miscellaneous revenues. Changes from the prior year for each category are noted in the table below:

Revenue Category	2024 Actual	2023 Actual	Increase/ (Decrease)	%
Property Tax	\$43,067,610	\$41,049,069	\$2,018,541	4.9%
Other Taxes (Sales, Hotel, Business License, etc.)	27,890,305	25,176,755	\$2,713,550	10.8%
Licenses and Permits (Building, Construction, Film Permits)	4,340,758	3,880,050	\$460,708	11.9%
Fines (Parking Citations, Vehicle Code Fines)	1,953,584	2,612,258	(\$658,674)	(25.2%)
Use of Money and Property (Interest, Rents and Ground Leases)	7,146,781	4,846,538	\$2,300,243	47.5%
Received From Other Agencies (Vehicle License Fees, Grants)	742,757	453,018	\$289,739	64.0%
Service Charges (Plan Check Fees, P&R Class, Ambulance Fees)	9,693,124	8,436,582	\$1,256,542	14.9%
Interfund Charges (Admin and Engineering Service Charge)	3,731,200	3,557,607	\$173,593	4.9%
Miscellaneous*	1,202,262	1,451,967	(\$249,705)	(17.2%)
Total	\$99,768,381	\$91,463,844	\$8,304,537	9.1%

*Includes proceeds from the Sale of Capital Assets.

With the City's relatively high property values, Property Taxes continue to be the main revenue source totaling 43.2% of all General Fund revenues. Property Taxes have been a stable source of funds with a \$2.0 million (4.9%) increase over the prior year.

In the Other Taxes category, Sales Tax, totaling \$11.1 million in FY 2023-2024 was in line with the prior year. Transient Occupancy (Hotel) Taxes, which totaled \$8.7 million, increased by \$2.1 million (32.4%) compared to the prior year driven by an increase in the City's tax rate from 12% to 14% effective July 1, 2023, as well as an increase in the number of short-term rentals operating within the City's coastal zone. Business License Tax, which is based on gross receipts, increased \$486,690 (9.9%) over the prior year to \$5.4 million. Additionally, Real Estate Transfer Tax was in line with the previous year at \$716,788.

Building permit revenue increased by \$850,579 (51.2%) and other construction permits decreased \$93,528 (-15.3%) compared to the prior year.

In the Use of Money & Property category, the most significant driver of the \$2.23 million (46.4%) increase was the impact of high interest rates on investment earnings. An investment gain of \$448,420 was recorded compared to a loss of \$485,696 in FY 2023-2024. Additionally, rents and leases increased \$769,016 (17.6%) compared to the prior year primarily due to recording five quarters of revenue and annual CPI increases in ground lease agreements.

On an overall basis, General Fund revenues totaled \$99.8 million, up by \$8.3 million or 9.1% from the prior year and outperformed the final budget by \$5.5 million (excluding transfers in).

General Fund expenditures totaled \$103.4 million in FY 2023-2024, an increase of nearly \$18.3 million over the prior fiscal year and about \$7.8 million over the final budget due to recording the GASB 96 SBITA principal payment of \$9.4 million.

Other Funds

Underground Assessment District

Three Utility Undergrounding Assessment Districts (19-4, 19-12, 19-14) were approved by property owners in FY 2019-2020. Construction of all other previously approved underground districts was completely managed by the utility companies for lump sum pricing. For these three districts, the City's Public Works Department is directly overseeing construction and, as a result, the bond proceeds (revenues) and expenditures are flowing through a City governmental fund. Property owners were given an opportunity to prepay their assessment in cash or to pay in annual installments following the issuance of bonds. Construction commenced in 2020 following the cash collection period and subsequent sale of bonds for remaining assessments. Construction on District 19-4 was completed in June 2024 and Districts 19-12 and 19-14 is estimated to be completed mid-2025.

Capital Improvement Fund

The Capital Improvement Projects (CIP) Fund is important to highlight given its significance in managing general governmental infrastructure and facilities capital projects. In FY 2023-2024, CIP Fund total revenues were \$3.6 million and expenditures were \$5.1 million.

As of June 30, 2024, the total balance of the CIP Fund is \$12.7 million. A list of major capital projects at year end include:

- \$6,485,767 – Senior & Scout House Project
- \$699,834 – Deferred Park Maintenance
- \$3,891,802 – Other projects in design or construction including various facility projects and park projects.

Enterprise, Internal Service, and Special Revenue Funds

This group includes the City's enterprises such as Water, Wastewater, Storm Drain and Parking funds; internal service funds such as Fleet, Insurance, Building Maintenance and Information Technology; and Special Revenue funds including Gas Tax, Proposition A & C, Measure R, Measure M, Measure W, Asset Forfeiture, etc. Among this group, several funds deserve attention.

In FY 2023-2024, net income from Water Fund operations totaled \$1.6 million, which decreased compared to \$3.0 million in the prior year. Operating revenue from sales and service charges increased by \$1.4 million (9.7%), while operating expenses (labor, materials, services, etc.) decreased by \$2.8 million (25.0%). The construction of the Peck Reservoir project has depleted the unrestricted fund balance and lower than projected revenues due to heavy rainfall in previous years has prevented the Water Fund from meeting the financial reserve policy.

In FY 2023-2024 the net operating income for the Wastewater Fund was \$833,294, a decrease of \$97,872 (10.5%) compared to the prior year. Operating revenue increased \$345,053 (10.54%). New wastewater rates will be effective November 1, 2023, with the full effects of the increase demonstrated in FY 2024-2025. Since the Wastewater revenues are based on water consumption, water conservation efforts also result in lower Wastewater revenues without the benefit of lower operational costs as is the case in the Water Fund, where conservation results in less pumping and less water being purchased.

The Storm Drain Fund has been operating at a loss for many years and depended on General Fund subsidies to fund operations. In FY 2023-2024, the General Fund transferred \$2,376,974 to the Storm Drain Fund to relieve the deficit balance. In January 2024, voters approved a fee increase in storm drain fees through a Proposition 218 process. The new fee is estimated to generate \$2.5 million in revenue annually and alleviate future General Fund subsidies.

The Parking Fund net operating income for FY 2023-2024 was \$1.7 million, a decrease of \$381,361 from the prior year. Operating revenue remain relatively flat compared to the prior year at \$4.4 million. Total operating expenses of \$2.7 million was up \$454,196 (20.3%) from the prior year due to decreased materials and service expenses. Future capital improvement projects, such as the reconstruction of dated parking structures, as well as debt service on bond principal will require an increase in cash flow.

Street Lighting and Landscape Fund

The Street Lighting and Landscape Fund continues to run deficits each year. For FY 2023-2024, expenditures exceeded revenues by \$298,037. These assessments have not changed for over 20 years. Because there is no fund balance to draw upon, the General Fund contributes the entire amount needed for continued operations. These contributions will be necessary until a Proposition 218 assessment vote is successful in raising the assessment rates and revenues.

Insurance Reserve Fund

For FY 2023-2024, the net position for the Insurance Fund decreased \$655,484. Unpredictable nature of claims payments, compounded by rising medical costs and claim judgments, cause internal service fund charge-outs to fall behind funding needs.

Custodial Funds

The custodial fund group includes debt service funds held in trust on behalf of Utility Undergrounding Assessment Districts (UUAD). The City refunded the outstanding bonds of five Underground Districts in March 2018 to take advantage of lower interest rates and reduce assessments for property owners. Interest rates for the new refunding bonds were set at a uniform annual rate of 3.00%, compared to the previous rates that ranged from 4.72% to 4.95%. The 2018 refunding bonds mature in September 2026.

Debt service on the bonds issued for the three UUAD Districts (19-4, 19-12, and 19-14) formed in FY 2019-2020 range in interest rates from 2.00% to 3.00%. These bonds mature in September 2040.

OTHER INFORMATION

Manhattan Beach's history of prudent financial decision-making has earned and maintained a sound financial condition. In fact, Standard & Poor's reaffirmed the City's AAA Credit Rating on July 20, 2021. Established reserves remain funded, and the City continues to operate efficiently and effectively, all while continuing to provide outstanding services for the community.

Acknowledgments: This report was made possible through the efforts and teamwork of the highly dedicated Finance staff. Special thanks to Julie Bondarchuk, Libby Bretthauer, and Amira Khodari. Appreciation is also expressed to the City Council and City Treasurer for their interest and support, which made this presentation possible. Finally, thanks to the City's auditing firm of Lance, Soll & Lunghard, LLP for their professionalism and diligence in preparing this year-end financial report.



Talyn Mirzakhanian, City Manager



Onyx Jones, Interim Finance Director

ELECTED OFFICIALS



MAYOR
Joseph Franklin



MAYOR PRO TEM
Amy Howorth



CITY COUNCILMEMBER
David J. Lesser



CITY COUNCILMEMBER
Steve Napolitano



CITY COUNCILMEMBER
Richard Montgomery



CITY TREASURER
Tim Lilligren



MANHATTAN BEACH RESIDENTS

CITY COUNCIL

CITY TREASURER

PARKING & PUBLIC
IMPROVEMENTS
COMMISSION

BOARD OF BUILDING
APPEALS

PLANNING
COMMISSION

PARKS & RECREATION
COMMISSION

CULTURAL ARTS
COMMISSION

LIBRARY
COMMISSION

CITY MANAGER

CITY ATTORNEY

MANAGEMENT SERVICES DEPARTMENT

FINANCE DEPARTMENT

HUMAN RESOURCES DEPARTMENT

PARKS & RECREATION DEPARTMENT

POLICE DEPARTMENT

FIRE DEPARTMENT

COMMUNITY DEVELOPMENT DEPARTMENT

PUBLIC WORKS DEPARTMENT

INFORMATION TECHNOLOGY DEPARTMENT



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Manhattan Beach
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

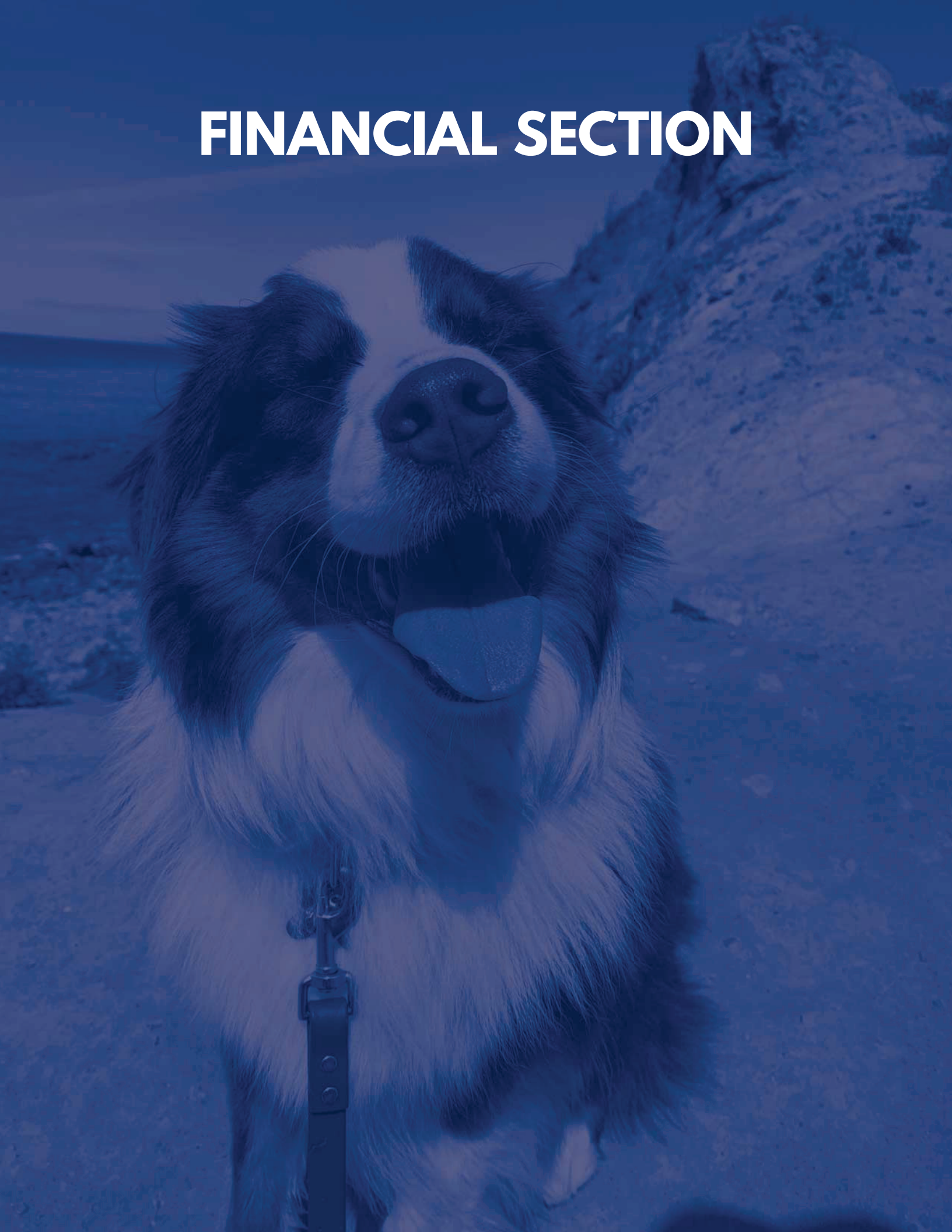
June 30, 2023

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION







INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Manhattan Beach, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Manhattan Beach, California, (the City) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



To the Honorable Mayor and Members of the City Council
City of Manhattan Beach, California

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule for the General Fund, and required pension and other postemployment benefits schedules, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



To the Honorable Mayor and Members of the City Council
City of Manhattan Beach, California

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules ("supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

LSL, LLP

Irvine, California
February 12, 2025



MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Manhattan Beach, we offer our readers of these financial statements this narrative overview and analysis of the financial activities of the City of Manhattan Beach for the Fiscal Year ended June 30, 2024. We encourage readers to consider this information in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i to viii of this report.

FINANCIAL HIGHLIGHTS

Government-Wide Financial Basis

- As of June 30, 2024, the City's total net position Citywide (including all governmental and business type activities) totaled \$244,932,754, a decrease from the prior Fiscal Year of \$380,924 or 0.2%.
 - Governmental net position for the Fiscal Year totaled \$112,558,918 a decrease of \$8,463,635 or 7.0%. This decrease is due to revenues totaling \$111,061,979 (program revenues of \$26,691,371 and general revenue of \$84,370,608), transfers out of \$1,304,507, less activity expenses of \$118,915,625 and prior adjustment of \$694,518 due to a correction of capital assets.
 - Business-type activity net position totaled \$132,373,836, an increase of \$8,082,711 or 6.5%. This change in net position is a result of operations (program revenues of \$26,024,561, in addition to non-program revenues of \$2,311,719, expenses of \$23,751,796, transfers in of \$1,304,507 and prior adjustment of \$2,193,720 due to a correction of capital assets.
- Unrestricted net position, which may be used to meet the government's on-going obligations within certain parameters and requirements, totaled \$4,035,584. This is a decrease of \$19,621,276 or 82.9% from FY 2022-2023.
- Governmental Activities
 - Governmental Unrestricted Net Position of negative \$32,011,264 decreased \$21,653,695 from the prior year. Unrestricted net position is defined as total net position less the difference between capital assets and accumulated depreciation less associated bonding including premiums/discounts. The significant decrease can be primarily attributed to a large decrease in the pension deferred outflows. Overall pension expense was \$17,208,873 in FY 2023-2024. See Note 11 for additional information.
- Business Type activities
 - Unrestricted Net Position of \$36,046,848, increased by \$2,032,419. The City anticipates a lower unrestricted net position in the near future when capital projects absorb working capital and correspondingly increase investment in capital assets.
- Citywide capital assets (land, work in progress, completed) net of depreciation increased by \$23,672,190 (See Note 7). Governmental net capital assets increased by \$18,188,567. Net capital additions of \$25,139,807 were offset by depreciation expense of \$6,832,469 and net disposals of \$118,771. Business-type net capital assets increased by \$5,266,043; additions were \$6,836,166, which were offset by depreciation expense of \$1,399,223 and net disposals of \$170,900. Future expenditures for capital projects will not affect the overall net position of the government-wide position as the expenditure would be offset by an increase in non-current assets but may have an impact on the level of working capital.
- The City's debt increased by \$4,620,820 during FY 2023-2024 (See Note 8). This increase is attributable to the renewal of a long-term lease with Manhattan Beach Unified School District for approximately \$9 million reduced by the scheduled principal payments of various bond issuances.
- General liability and workers compensation insurance claim reserves increased by \$1,590,823 (See Note 15). The City records 50% of the incurred but not reported (IBNR) reserves based on the 50% confidence level on the actuarial report.

Fund Financial Basis – Governmental Funds

- As of June 30, 2024, the General Fund balance was \$40,381,761. Fund expenditures exceeded revenues by \$3,650,344 due to regular operations. Net other sources (uses) was \$5,346,253, resulting in a net change of \$1,695,909.
- Governmental Funds (General, Capital Improvement and Special Revenue) revenue totaled \$112,693,203, an increase of \$8,636,011, (8.3%) from FY 2023-2024. The increase is primarily attributable to increased revenues in all categories except fines and miscellaneous revenues.
- Governmental Funds expenditures totaled \$120,262,579, up \$18,876,587 (18.6%) from the prior year primarily driven by capital outlay expenditures for subscriptions and capital projects. Total governmental fund expenditures exceeded revenues by \$7,569,376.
- General Fund net sources totaled \$5,346,253. Transfers-out totaling \$4,832,895 included \$2,376,698 to the Stormwater Fund, \$1,994,920 to the Capital Improvement Fund, \$252,991 to the Street Lighting and Landscape Fund and \$208,286 to internal services funds. Transfers in of \$775,434 consisted of \$500,000 from internal service funds and \$275,434 from the County Parking Lot Fund. Transfers are required to maintain adequate funding levels or eliminate deficits (See Note 4 for more information).

USING THIS ANNUAL REPORT

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which is comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Reporting on the City as a Whole

Government-wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred inflows/outflows of resources and liabilities, with the difference between these items reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Manhattan Beach is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent Fiscal Year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs on a full-accrual basis, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide statement of activities has two components:

1. Governmental Activities

This is a consolidation of all governmental funds and includes the General Fund, Capital Improvements Funds, Special Revenue Funds and Internal Service Funds. These funds are supported by taxes, intergovernmental revenues, grants, and charges for services. Expenses include materials and labor, depreciation, and amortization of prepaid pension obligations. Governmental fund expenditures for payment of principal on long-term debt and capital assets are excluded. All intra-governmental charges and expenses and transfers within governmental funds are eliminated.

All internal service fund expenses and depreciation on capital assets are fully allocated to each functional program. Expenses are classified among the following programs: general government, public safety, culture and recreation, and public works. Program activities that produce revenues or receive grant support are applied against program expenses to yield the net expenses. Revenues that cannot be attributed to a specific program,

such as taxes and interest (e.g. General Revenues), are shown separately. The total of General Revenues, less net program expenses, generates the change in net position. Total net position of governmental activities differs from fund balances of governmental funds by long-term assets (capital and prepaid pension), long-term liabilities and the total of internal service fund net position.

2. *Business Type Activities*

All enterprise funds (Water, Wastewater, Stormwater and Parking Funds) are included in Business Type activities. These activities have been traditionally presented as enterprise funds and tie directly to the *Statement of Revenues, Expenses, and Change in Net position – Proprietary Funds*, as shown in the Funds section of this report.

The government-wide financial statements can be found on pages 25 to 27 of this report.

Reporting on the City's Most Significant Funds

Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Manhattan Beach, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the Fiscal Year. In effect, the budgetary governmental fund statements are working capital flow of funds statements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Following the governmental funds *Balance Sheet*, and *Statement of Revenues, Expenditures and Changes in Fund Balances*, there are respective reconciliations of the fund balance to *Statement of Net position*, and *Net Change in Fund Balances* – total governmental funds to change in net position of governmental activities. As discussed above, the reconciliations include treatment of capital expenditures, depreciation, changes in capital assets, long-term debt, prepaid pension costs, full accrual versus modified accrual and change in net position of internal service funds.

The City of Manhattan Beach maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund and Proposition C Fund, which are considered to be major funds. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these *non-major* governmental funds is provided in the form of *combining statements* elsewhere in the fund financial statements section of this report.

The City of Manhattan Beach currently operates on an annual budget cycle. The FY 2023-2024 Budget was adopted on June 4, 2023. A budgetary comparison statement has been provided for each governmental fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 30 to 39 of this report.

Proprietary funds: Proprietary funds account for goods and services provided to customers and for cost recovery via service charges. There are two types of proprietary funds: enterprise funds which provide services to outside users (residents and businesses of Manhattan Beach), and internal service funds, which provide services to City departments. The City uses internal service funds to account for its fleet of vehicles, information technology, shared building and maintenance costs, and City-wide insurance costs. Because these services predominantly benefit the governmental function, they have been included within governmental activities in the government-wide financial statements and related intra-governmental charges and transfers have been eliminated accordingly, except for charges and transfers to the enterprise funds, which are quasi-internal transactions.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. All four internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements. Three of the City's seven enterprise funds are considered major funds and presented as such in the fund financial statements. The three non-major funds, Stormwater, County Parking Lot, and State Pier and Parking lots, are presented individually in the combining statements.

The combining statements referred to earlier in connection with non-major governmental funds, proprietary and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 110 to 140 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43 to 90 of this report.

The City as Trustee

Other information: In addition to the basic financial statements and accompanying notes, this report also presents the City's progress in funding its obligation to provide pension benefits to its employees and the budget-to-actual financial comparisons for the General Fund. The City has elected to present this information within the basic financial statement and financial statement sections of the report. Note 10 and Note 11 provides detailed analysis of City retirement plans.

All of the City's fiduciary activities are reporting distinctly in a separate Statement of Fiduciary Assets and Liabilities. These figures are not combined with other financial statements because the City cannot use these assets to finance present or future operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

As noted earlier, net position serves as an indicator of a government's financial position. In the case of the City of Manhattan Beach, net position totaled \$244,932,754 at June 30, 2024 versus \$245,313,678 at June 30, 2023 – a decrease of \$380,924. The ending net position is in line with prior year.

Net position of the City's *Governmental* activities amounted to \$112,558,918, a decrease from the prior year of \$8,463,635. On the table of Net Position below, \$126,578,644 is net investment in capital assets¹ such as land, buildings, machinery, infrastructure, equipment and other improvements; restricted net position of \$17,991,538 is equal to total of section 115 investment, restricted City capital projects and Special Revenue Fund resources that are restricted in use. Governmental activities' unrestricted net position decreased by \$21,653,695 from the prior year to negative \$32,011,264 primarily due to a negative CalPERS rate of return of 6.1% that resulted in a large pension expense and net pension liability. The overall pension expense government-wide in FY 2023-2024 was \$17,208,873. Significant components of non-current liabilities include 1) net pension liability of \$23,454,350; 2) net OPEB liability of \$3,213,906; 3) subscription and leases payable of \$9,162,036; 4) bonds payable totaling \$95,276,630; 5) accrued workers compensation and liability claims and judgments of \$19,717,808; and 6) accrued employee benefits of \$5,193,606.

Net position of the City's *Business-type* activities totaled \$132,373,836. This represents an increase from prior year of \$8,082,711. Net investments in capital assets (land, buildings, machinery, equipment, etc.) totals \$95,964,968, while \$362,020 is restricted for business improvement district use. Significant components of non-current liabilities include: 1) bonds payable totaling \$6,373,370 2) net pension liability of \$833,327, 3) net OPEB liability of \$318,677; 4) subscription payable of \$13,054, and 5) accrued employee benefits of \$169,661. Business-type activities' unrestricted net position increased by \$2,032,419 from the prior year to \$36,046,848, primarily driven by an increase of capital project activity.

¹ Net investment in capital assets is calculated by taking total capital assets net of depreciation, less corresponding bonds and lease payable, less the balance of unamortized bond premium, plus deferred charges on refunding bonds.

City of Manhattan Beach Net Position

	Governmental Activities		Business Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current Assets	\$ 107,906,630	\$ 110,300,085	\$ 42,988,158	\$ 39,639,775	\$ 150,894,788	\$ 149,939,860
Total Capital Assets Net of Depreciation	152,823,086	134,634,519	101,584,307	96,318,264	254,407,393	230,952,783
Other Non-Current Assets	22,922,368	23,843,400	-	-	22,922,368	23,843,400
Total Assets	\$ 283,652,084	\$ 268,778,004	\$ 144,572,465	\$ 135,958,039	\$ 428,224,549	\$ 404,736,043
Deferred Charge on Refunding	\$ 241,407	\$ 273,595	\$ -	\$ -	\$ 241,407	\$ 273,595
Deferred Pension Related Items	43,155,092	64,359,227	1,006,726	1,020,839	44,161,818	65,380,066
Deferred OPEB Related Items	6,583,415	8,078,421	652,779	328,159	7,236,194	8,406,580
Deferred Outflows of Resources	\$ 49,979,914	\$ 72,711,243	\$ 1,659,505	\$ 1,348,998	\$ 51,639,419	\$ 74,060,241
Current Liabilities	\$34,006,674	\$33,762,866	\$5,462,538	\$4,379,791	\$39,469,212	\$38,142,657
Non-Current Liabilities	138,792,586	130,257,388	7,833,424	8,470,710	146,626,010	138,728,098
Total Liabilities	\$ 172,799,260	\$164,020,254	\$ 13,295,962	\$12,850,501	\$ 186,095,222	\$ 176,870,755
Deferred Leases Inflows	\$ 22,380,509	\$ 23,463,957	\$ -	\$ -	\$ 22,380,509	\$ 23,463,957
Deferred Pension Related Items	20,667,060	31,140,510	43,960	90,586	20,711,020	31,231,096
Deferred OPEB related items	5,226,251	1,841,973	518,212	74,825	5,744,463	1,916,798
Deferred Inflows of Resources	\$ 48,273,820	\$ 56,446,440	\$ 562,172	\$ 165,411	\$ 48,835,992	\$ 56,611,851
Net Investment in Capital Assets	\$ 126,578,644	\$ 114,755,140	\$ 95,964,968	\$ 89,903,547	\$ 222,543,612	\$ 204,658,687
Restricted	17,991,538	16,624,982	362,020	373,149	18,353,558	16,998,131
Unrestricted	(32,011,264)	(10,357,569)	36,046,848	34,014,429	4,035,584	23,656,860
Total Net Position	\$ 112,558,918	\$ 121,022,553	\$ 132,373,836	\$ 124,291,125	\$ 244,932,754	\$ 245,313,678

The City's total change in net position amounts to a decrease of \$380,924. Governmental activities' total net position decreased by \$8,463,635. Business-type activities' total net position increased by \$8,082,711.

The following table condenses the Government-wide Statement of Activities and Change in Net Position for the Fiscal Years ending June 30, 2024 and June 30, 2023:

City of Manhattan Beach Changes in Net Position

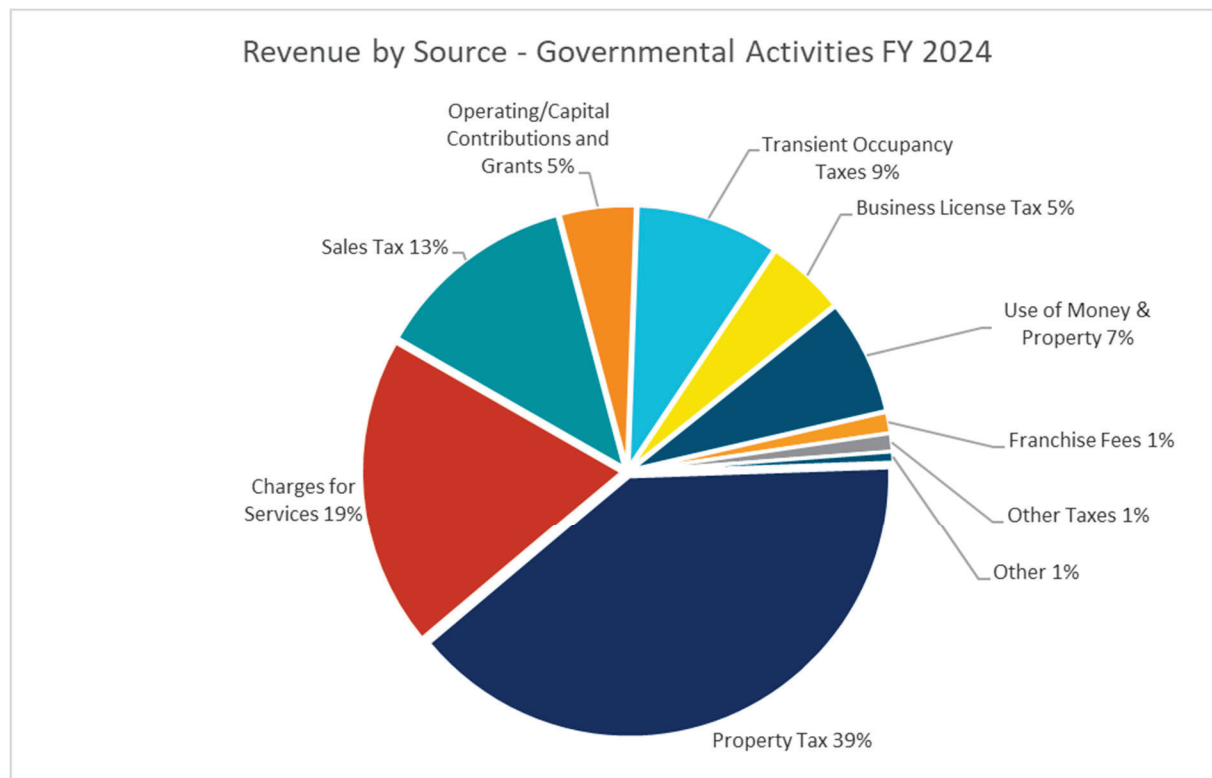
	Governmental Activities		Business Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Program Revenues:						
Charges for Services	\$ 21,481,881	\$ 20,056,979	\$ 25,920,701	\$ 24,613,259	\$ 47,402,582	\$ 44,670,238
Operating Contributions and Grants	2,017,113	4,778,148	103,860	-	2,120,973	4,778,148
Capital Contributions and Grants	3,192,377	3,111,998	-	-	3,192,377	3,111,998
General Revenues:						
Property Taxes	43,851,831	41,836,587	-	-	43,851,831	41,836,587
Other Taxes	31,871,453	29,251,313	-	-	31,871,453	29,251,313
Use of Money and Property	7,912,600	4,830,041	2,311,719	406,776	10,224,319	5,236,817
Other	734,724	1,164,833	-	-	734,724	1,164,833
Total Revenues	\$ 111,061,979	\$ 105,029,899	\$ 28,336,280	\$ 25,020,035	\$ 139,398,259	\$ 130,049,934
Expenses:						
General Government	\$ 20,658,755	\$ 18,744,766	\$ -	\$ -	\$ 20,658,755	\$ 18,744,766
Public Safety	68,071,122	93,202,238	-	-	68,071,122	93,202,238
Public Works	16,407,350	16,215,433	-	-	16,407,350	16,215,433
Culture & Recreation	11,262,864	10,217,475	-	-	11,262,864	10,217,475
Interest on Long-Term Debt	2,515,534	2,613,946	-	-	2,515,534	2,613,946
Water, Waste, Storm	-	-	18,265,447	15,147,578	18,265,447	15,147,578
Parking	-	-	5,486,349	3,520,899	5,486,349	3,520,899
Total Expenses	\$ 118,915,625	\$ 140,993,858	\$ 23,751,796	\$ 18,668,477	\$ 142,667,421	\$ 159,662,335
Revenues Over Expenses	(7,853,646)	(35,963,959)	4,584,484	6,351,558	(3,269,162)	(29,612,401)
Special Items	-	-	-	-	-	-
Transfers In (Out)	(1,304,507)	(547,908)	1,304,507	547,908	-	-
Increase (Decrease) in Net Position	\$ (9,158,153)	\$ (36,511,867)	\$ 5,888,991	\$ 6,899,466	\$ (3,269,162)	\$ (29,612,401)
Net Position - Beginning	\$ 121,022,553	\$ 156,437,394	\$ 124,291,125	\$ 117,279,862	\$ 245,313,678	\$ 273,717,256
Restatement of Net Position	694,518	1,097,026	2,193,720	111,797	2,888,238	1,208,823
Net Position - June 30 (Year End)	\$ 112,558,918	\$ 121,022,553	\$ 132,373,836	\$ 124,291,125	\$ 244,932,754	\$ 245,313,678

Changes in Net Position - Governmental Activities

The City's governmental activities in FY 2023-2024 decreased net position by \$8,463,635 compared to a decrease of \$35,414,841 in FY 2022-2023.

Total revenues increased by \$6,032,080, while total expenses decreased by \$22,078,233. Property taxes increased by \$2,015,244, other taxes, which include sales and transient occupancy tax, increased by \$2,620,140. Charges for services increased by \$1,424,902. The decrease in total expenses of \$22,078,233 is primarily driven by higher pension expense in the prior year resulting from a negative CalPERS rate of return.

Total governmental activities revenue of \$111,061,979, excluding transfers-out of \$1,304,507, is broken out as follows:

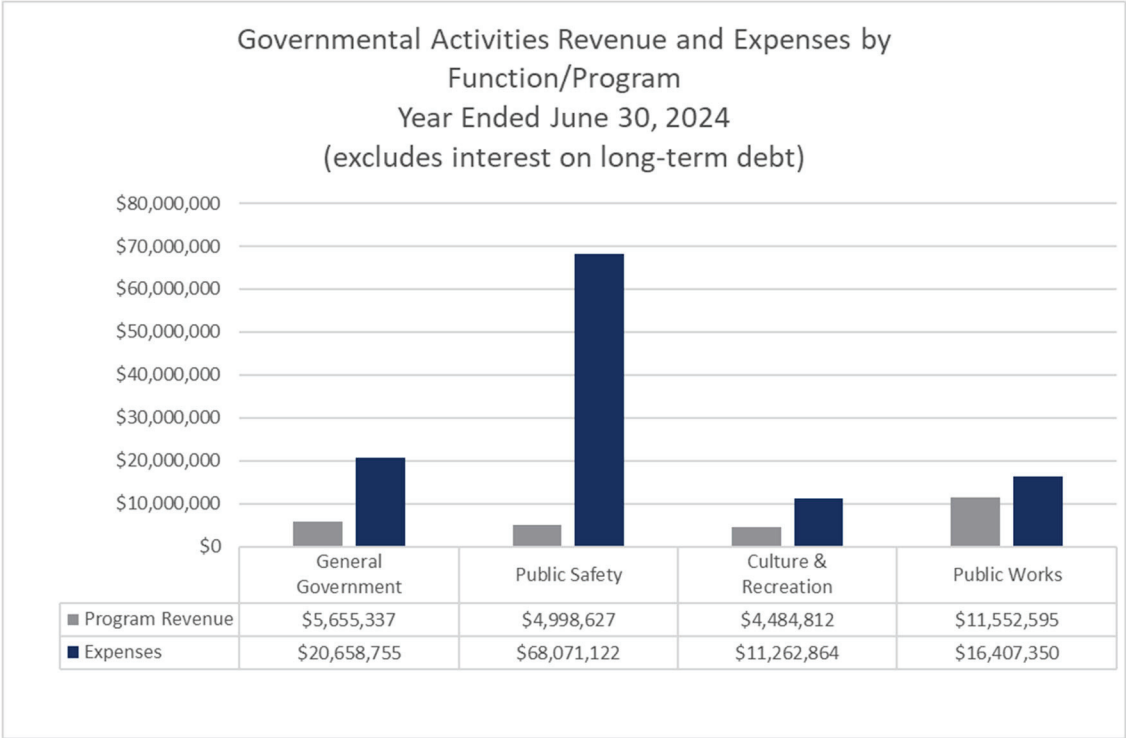


Functional expenses (excluding interest on debt) for the years ending June 30, 2024 and June 30, 2023 were as follows:

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
General Government	20,658,755	18,744,766	(15,003,418)	(10,100,417)
Public Safety	68,071,122	93,202,238	(63,072,495)	(88,504,632)
Culture and Recreation	11,262,864	10,217,475	(6,647,052)	(5,706,697)
Public Works	16,407,350	16,215,433	(4,985,755)	(6,121,041)
Total	\$116,400,091	\$138,379,912	(\$89,708,720)	(\$110,432,787)

The total cost of services decreased from the prior year by \$21,979,821 (15.9%), while the net cost of services decreased by \$20,724,067 (18.8%) from the prior year. The decrease is primarily attributable to recording significant pension expense in the prior year resulting from the recognition of a negative CalPERS rate of return of 6.1%. Total costs for Public Safety decreased by \$25,131,116, General Government increased by \$1,913,989, Culture and Recreation increased by \$1,045,389, and Public Works increased by \$191,917.

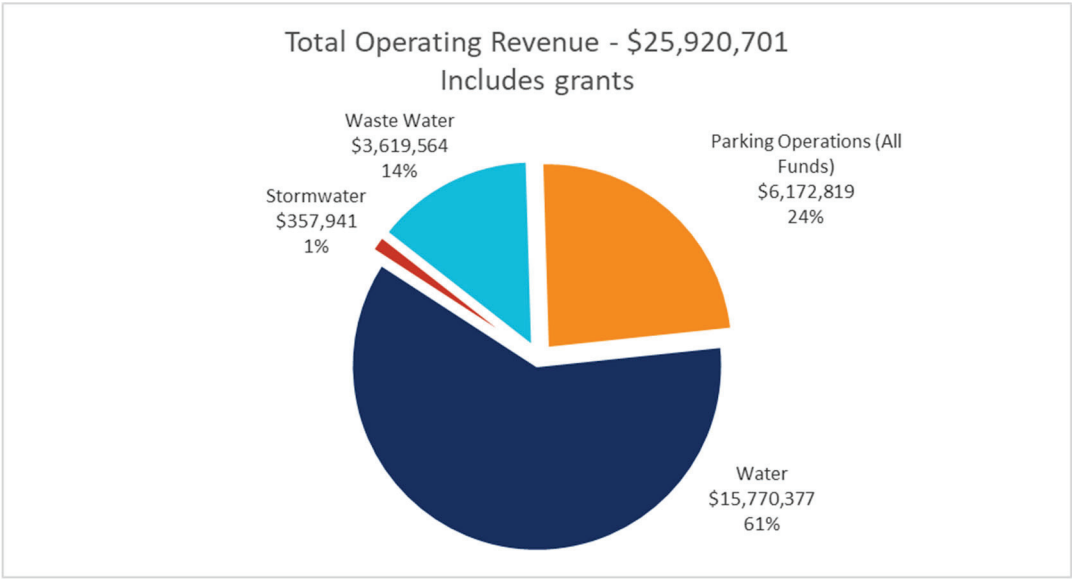
The following chart illustrates governmental revenues and expenses by function for the year ended June 30, 2024.



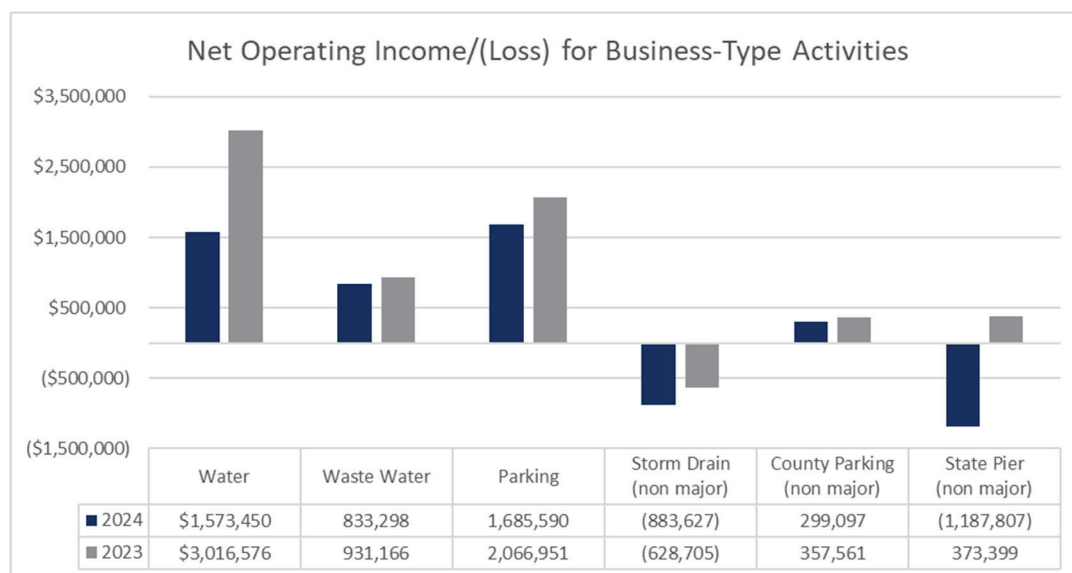
Change in Net Position - Business Type Activities

In Fiscal Year 2023-2024, total revenues for the City’s business-type activities amounted to \$28,336,280. Operating revenues totaled \$26,024,561 and interest revenues totaled \$2,311,719. Expenses totaled \$23,751,796 of which operating expenses equaled \$23,600,700, and non-operating expenses (including debt interest expense) totaled \$151,096. Total income from operations was \$2,300,001 while net income before transfers was negative \$1,519,356. After net transfers-in totaling \$1,981,110, net position increased by \$461,754 compared to an increase of \$6,899,466 in FY 2022-2023. The restatement of net position was due to a correction of prior year capital assets totaling \$2,173,042.

Operating Revenues by Source - Business Type Activities FY 2024



Operating Income varied across the business-type activities in FY 2023-2024. A year-over-year comparison is presented below. Further analysis of the major funds is discussed later in this report.



FUND FINANCIAL STATEMENTS

Governmental Funds

As of the end of the 2024 Fiscal Year, the City's governmental funds ending fund balances totaled \$66,591,363, an increase of \$18,717 in comparison with the prior year.

Within the Governmental Funds total, \$34,991,414 (52.5%) constitutes unassigned fund balance. The unassigned fund balance exists only in the General Fund. The remainder of the fund balance (\$31,599,949) is non-spendable, restricted or committed indicating these funds are not available for new spending because it has already been committed for on-going capital projects, advanced to other funds for legally restricted use, long term notes receivable, or for legally-required debt service reserves.

Notwithstanding Governmental Accounting Standards Board (GASB) pronouncements, the City Council has established earmarks within the unassigned category for working capital and budgetary capital planning initiatives. Of the nearly \$35 million unassigned governmental fund balance noted above, \$22.6 million has been designated by City Council policy.

General Fund

The General Fund is the chief operating fund of the City of Manhattan Beach. At the end of the FY 2023-2024, unassigned fund balance of the General Fund was \$34,991,414 while total fund balance was \$40,381,761. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 4.1 months of total General Fund expenditures, while total fund balance represents 4.7 months of General Fund expenditures.

During the year, General Fund expenditures exceeded revenues by \$3,650,344. This is primarily driven by recording \$9,406,018 subscriptions as capital outlay due to GASB 96 – Subscription Based IT Arrangements (SBITAs). The subscriptions were offset by financing source of \$9,403,714. After factoring in net transfers out of \$4,057,461, there was a net increase in fund balance of \$1,695,909.

Net transfer activity of negative \$4,057,461 were due to the following transfers:

- \$2,376,698 was transferred to the Stormwater Fund to relieve a deficit fund balance due to operations;
- \$1,994,920 was transferred to the Capital Improvement fund to provide funding for capital projects;
- \$500,000 was transferred from the Information Technology Fund to the General Fund to alleviate excess fund balance;

- \$275,434 of excess revenues from the County Parking Lot Fund was transferred to the General Fund in line with the contract with the County of Los Angeles;
- \$252,991 was transferred to the Street Lighting and Landscape Fund to relieve a deficit fund balance;
- \$208,286 was transferred to the Fleet Fund for the purchase of vehicles.

Please see Note 4 for more information.

Capital Improvement Fund

Capital Project funds serve to plan and manage the construction and maintenance of non-enterprise projects which are funded through dedicated revenue sources and General Fund transfers. The City adopts a five-year capital project plan in which City Council priorities are planned. The Capital Improvement fund is a major fund in FY 2023-2024 while the Bond Construction Fund and Underground Assessment District Fund are non-major funds covered in that City-wide plan.

At the end of Fiscal Year 2023-2024, total fund balance of \$12,706,430 in the Capital Improvement Fund was committed to capital projects.

During Fiscal Year 2023-2024, the Capital Improvement Project Fund balance increased by \$491,742 (4.0%) due to operating transfers in from the General Fund of \$1,994,920. Total revenues of \$3,645,600 were offset expenditures of \$5,148,778.

Of the \$3,645,600 in total revenues to the Capital Improvement Fund, certain dedicated revenues described below totaled \$1,596,101 in FY 2023-2024. The following revenues are earmarked for funding general government capital improvement projects in the effort to maintain and enhance City infrastructure:

1. **Hotel Tax:** 15% of the Transient Occupancy Tax has been dedicated to funding CIP's, generating \$920,868 in revenue for the year, which is \$25,455 (2.8%) above prior year.
2. **Parking Meter Rates:** Fifty cents of the \$2.00 per hour on-street parking meter rates is dedicated to capital improvements. This source generated revenue of \$596,949, up \$47,244 (8.6%) from the prior year.
3. **Parking Citation Rates:** Most parking citations include four dollars dedicated to the CIP fund. For FY 2023-2024, revenue of \$78,284 was realized; decrease of \$19,620 (20.0%) from the prior year.

Capital Improvement Fund expenditures totaled \$5,148,778. Capital outlay expenditures totaled \$3,796,195, operating expenditures of \$184,456, and debt service of \$1,168,127. Capital project expenditures exceeding \$500,000 consisted of:

- \$940,556 – Various street related capital projects
- \$562,100 – Polliwog Park Playground Resurfacing and Equipment Replacement Project
- \$539,529 – Citywide Security Camera
- \$501,513 – Marine Ave Synthetic Turf Replacement
- \$1,252,497 – Other projects in design or construction including various facility projects and HVAC replacement projects

Other Governmental Funds

The Street Lighting Fund continues to run deficits each year. For FY 2023-2024, expenditures exceeded revenues by \$298,037. Since there is no fund balance to draw upon, the General Fund contributes the entire amount to make up for the deficit in the Street Lighting Fund. These contributions will be necessary until a Proposition 218 assessment vote is successful in raising the assessment rates and revenues. In Fiscal Year 2023-2024, \$252,991 was transferred in providing an ending fund balance of \$21,843 for future extraordinary expenditures.

Other non-major governmental funds include all Special Revenue funds used exclusively to account for intergovernmental and assessment proceeds, which are restricted in use by law. The funds within this category include the Gas Tax, Prop C and A funds, the Measure R, Measure M, and Measure W funds, the AB2766 fund, the Asset Forfeiture fund, Police Safety Grant fund, the Bond Construction Fund, and the Underground Assessment Fund. Monies received in these funds are primarily used for the maintenance of streets, parks, local transportation programs, the purchase of safety and fuel-efficient equipment, and bond funded construction.

Underground Assessment District Fund

In Fiscal Year 2019-20, residents in three district (19-4, 19-12, and 19-14) approved the undergrounding of utilities by a Proposition 218 ballot. As a result, the Manhattan Beach City Council authorized the issuance of bonds to finance the Utility Underground Project in these three assessment districts. Bond assessments are paid by homeowners over a period of 20-years through the annual consolidated property tax bill.

Bond proceeds and payoffs totaled \$18,573,325 was received in FY 2019-20 to fund the project and will be drawn down upon as the project progresses. In FY 2023-2024, revenues of \$121,150 were reported for interest income and investment returns and expenditures totaled \$699,196, resulting in an ending fund balance of \$1,444,693.

Proprietary Funds

The City's proprietary funds consist of enterprise funds and internal service funds. The enterprise funds include Water, Wastewater and Parking Funds (major funds), as well as Stormwater and both the County and State Pier & Parking Lot Funds (which are considered non-major). Internal service funds include Insurance Reserve, Information Technology, Fleet Management and Building Maintenance and Operations.

Enterprise (Business) Funds

At year-end, total net position of all enterprise funds amounted to \$132,373,836. Net investment in capital assets totaled \$95,964,968 and \$362,020 is restricted for a business improvement district. The balance of \$36,046,848 is unrestricted net position. This presentation mirrors the statement of net position of Business Type Activities included in the Government-wide Financial Statements section.

Overall, the combined net income of enterprise funds was \$2,320,001 before transfers. Operations resulted in a \$5,888,991 increase in net position. Transfer activity included a net transfer-in of \$1,304,507 which included a transfer-in of \$2,376,698 to the Stormwater Fund from the General Fund, a transfer out of \$275,434 from the Parking and County Parking Lots Fund to the General Fund, and a transfer of \$796,757 from various enterprise funds to the Fleet Fund for the purchase of vehicles.

Several enterprise funds are worth noting:

- The Water Fund has been utilizing its reserves for planned capital improvements needed to sustain the utility's operation and infrastructure. Net income from operations totaled \$1,573,450, a decrease from the prior year which had net operating income of \$3,016,576. Revenue from sales decreased by 9.7%, while operating expenses (labor, materials, services, etc.) increased by 25.0% due to the capitalization of more project expenditures in FY 2022-2023. Revenues were impacted by lower consumption after unprecedented rains and conservation efforts in preparation for future droughts. A water rate study will be conducted in 2025 to ensure fund balance is sufficient to meet operational and capital demands.
- The Wastewater fund net operating income for FY 2023-2024 was \$833,298 versus \$931,166 in FY 2022-2023, a decrease of \$97,868, or 10.5%. Operating revenues increased \$345,053 (10.5%) compared to the prior year while operating expenses increased \$442,921 or 18.9%. It is important to note that Wastewater revenues are based on water consumption, and increases or decreases in consumption due to water conservation efforts also impact Wastewater revenues.
- The Parking Fund net operating income for FY 2022-2023 was \$1,685,590, down \$381,361 or 18.5% from the prior year. Operating revenue increased \$72,835, up 1.7% compared to the prior year. Total operating expenses of \$2,688,762 were up \$454,196 or 20.3% from the prior year primarily due to an increase in contract services and material and service charges. Total net position for FY 2023-2024 was \$18,101,216 while unrestricted net position is \$5,131,591. Future capital improvement projects as well debt service on bond principal will require an increase in cash flow.
- The Storm Drain Fund net operating loss in FY 2023-2024 totaled \$883,627. This loss is a continuation of prior year net losses due to the fund operating at a deficit for many years. The combination of fixed assessments (that have remained unchanged since 1996) and rising costs required a General Fund cash subsidy. The General Fund transferred \$2,376,698 in FY 2023-2024 to relieve the operational deficit and fund necessary capital improvements. Current unrestricted net position is \$4,702,332. A fee increase was approved by voters through a Proposition 218 special mail in ballot election in January 2024. The fee increase is expected to generate approximately \$2.5 million annually starting FY 2024-2025 and eliminating the need for General Fund subsidies.

Internal Service Funds

Total net position of the Internal Service Funds was \$7,451,814. Unrestricted net position of the internal service funds at the end of the year was \$1,520,645, a decrease of \$1,718,476 from the prior year which can be primarily attributable to an increase in liabilities. Total net position increased by \$60,952.

The Insurance Fund net position at year-end was negative \$468,825, compared to \$186,659 in the prior year due to an increase in liabilities, primarily in claims and judgements. Net position decreased since expenses exceeded revenues by \$642,813. Claims expense decreased by \$639,096 to \$8,496,064. For comparison, prior year workers compensation and liability paid claims expense are below:

FY 2023-2024	\$8.50 million
FY 2022-2023	10 million
FY 2021-2022	9.60 million
FY 2020-2021	5.74 million
FY 2019-2020	5.65 million
FY 2018-2019	5.10 million
FY 2017-2018	8.08 million
FY 2016-2017	6.35 million
FY 2015-2016	6.66 million
FY 2014-2015	6.56 million

The unpredictable nature of workers compensation and liability claims activity causes these fluctuations in claims expense from year to year. The City continually looks for ways to proactively manage risk and reduce these costs.

Net position in the Fleet Fund increased by \$1,192,259, to \$8,608,351. Capital purchased totaled \$2,172,813 in FY 2023-2024. Accumulated working capital will be used for the replacement of vehicles such fire trucks, maintenance trucks and police vehicles.

Net position in the Building Maintenance and Operations Fund is negative \$455,970 due to the Pension Obligation Bonds (POB) Payable of \$583,954, Net Pension Liability of \$235,125 and Net OPEB liability of \$4,021. The negative net position will be relieved by increased charges to user departments, which will be used to pay down liabilities.

The Information Systems Fund has a net position of negative \$231,742. The operating expenditure is offset by departmental charge-outs borne primarily by the General Fund.

General Fund Budgetary Highlights

Estimated and Actual Revenues

General Fund revenues were estimated at \$93,615,491 in the FY 2023-2024 Adopted Budget. Subsequent budget changes were due to the following amendments:

- \$105,653 Opioid Settlement Funds
- \$75,893 SB 1383 Grant
- \$75,000 Office of Traffic Safety Grant
- \$27,832 Increase to Homelessness Grant
- \$15,000 related to donations for Juneteenth programming

Actual General Fund Revenues of \$99,768,381 (excluding transfers) exceeded the final budget of \$94,290,394 by \$5,477,987, primarily due to the taxes and use of money and property categories exceeding budget.

Revenues other than property tax that are driven by the economy such as sales tax, transient occupancy tax (TOT), and business license tax. Sales tax was in line with the budget and TOT exceeded the budget by \$1,159,605. Business License tax exceeded budget by \$572,317.

Appropriations and Expenditures

The General Fund adopted budget included \$93,009,510 in appropriations. The final amended General Fund appropriations budget increased overall to \$95,638,326 due to several budget adjustments including the carry forward of prior year encumbrances and budget adjustments approved by City Council as follows:

- \$771,804 for Pension Fund expenditures
- \$292,158 for various staffing adjustments
- \$105,653 Opioid Settlement Funds
- \$91,727 for Outdoor Dining Study
- \$81,875 for Utility Undergrounding Private Utility Conversion
- \$75,000 Office of Traffic Safety Grant
- \$50,000 as seed funding for a non-profit (LoveMB)
- \$35,970 for Coyote Management
- \$37,717 to insource pressure washing
- \$30,000 for Juneteeth programming
- \$27,832 Increase to Homelessness Grant

Overall, expenditures exceeded revenues (excluding transfers) by \$3,650,344. When accounting for the net transfers out of \$4,057,461 and the financing of lease and subscriptions of \$9,403,714, the net change results in an increase in fund balance of \$1,695,909. The ending fund balance was \$40,381,761 and should provide sufficient liquidity to meet General Fund expenditures in Fiscal Year 2024-25.

Capital Asset and Debt Administration

Capital Assets: Government-wide, the City's investment in capital assets (net of accumulated depreciation) as of June 30, 2024 is \$254,002,919. This is an increase from the prior year of \$23,672,715. This investment in capital assets includes land, buildings, park improvements, roadways, sewer, storm drains, vehicles, computer equipment, furniture and other equipment.

City of Manhattan Beach Capital Assets (Net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$33,634,565	\$33,634,565	\$2,607,434	\$2,607,434	\$36,241,999	\$36,241,999
Buildings	26,873,390	27,728,007	13,486,896	15,078,724	40,360,286	42,806,731
Machinery & Equipment	917,155	1,001,180	2,750,382	1,485,316	3,667,537	2,486,496
Vehicles	5,857,097	3,887,625	-	-	5,857,097	3,887,625
Infrastructure	48,194,953	46,277,452	27,815,284	28,599,902	76,010,237	74,877,354
Intangible Assets	719,720	809,686	88,335	99,375	808,055	909,061
Invested in Joint Venture (RCC)	1,651,391	1,818,776	-	-	1,651,391	1,818,776
Right-To-Use Assets	8,463,404	1,057,520	-	-	8,463,404	1,057,520
SBITAs	397,229	599,190	7,770	23,389		
Work in Progress	26,114,182	17,820,518	54,828,206	48,424,124	80,942,388	66,244,642
Total	\$152,823,086	\$134,634,519	\$101,584,307	\$96,318,264	\$254,002,394	\$230,330,204

Governmental

Capital assets additions totaled \$8,016,200 for projects in progress and \$16,429,089 for capital additions for depreciable assets for a total capital asset addition of \$24,445,289. Additionally, a restatement of \$694,518 was recognized to capitalize prior year assets. This increase was offset by depreciation of \$6,832,469 and net deletions of negative \$118,771, resulting in a net increase in assets of \$18,188,567.

Business-type

During the Fiscal Year, Business-type capitalized net expenditures totaled \$4,663,122 in capital additions. Additionally, a restatement of \$2,173,044, was recognized to capitalize the prior year assets. This increase was offset by depreciation of \$1,399,223 and deletion of \$170,900, resulting in a net increase in assets of \$5,266,043.

Please refer to Note 7 for additional information on the City's capital assets.

Long-Term Liabilities: Total long-term liabilities Citywide (excluding unamortized bond premiums) equal \$135,906,163, an increase of \$4,620,618 from Fiscal Year 2022-2023. The increase was attributable to an increase of leases payable of \$7,622,570 and an increase to insurance reserves of \$1,590,823. Governmental liabilities increased by \$5,395,685 while business type liabilities decreased by \$774,867. The following table is a condensation of Note 8, Note 9 and Note 15.

**City of Manhattan Beach Outstanding Liabilities
(Excluding Bond Premium)**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Marine Avenue Park Refunding COPs	\$3,730,000	\$4,075,000	-	-	3,730,000	4,075,000
Capital Equipment Lease	-	-	-	-	-	-
Police & Fire Facility Refunding COPs	4,955,000	5,530,000	-	-	4,955,000	5,530,000
2021 Fire Station No. 2 COPs	7,075,000	7,210,000	-	-	7,075,000	7,210,000
Leases Payable	8,718,073	1,095,503	-	-	8,718,073	1,095,503
Subscription Payable	443,963	584,503	13,053	25,846	457,016	610,349
Accrued Employee Leave & Benefits	5,193,806	4,422,604	169,660	220,104	5,363,466	4,642,708
Metlox and Water/Wastewater Refunding COPs	-	-	-	-	-	-
Metlox Parking Refunding COPs	-	-	-	-	-	-
2021 Refunding COPs	-	-	4,695,000	5,335,000	4,695,000	5,335,000
Pension Obligation Bonds	79,516,630	82,910,000	1,678,370	1,750,000	81,195,000	84,660,000
Insurance Claim Reserves	19,717,808	18,126,985	-	-	19,717,808	18,126,985
Total Long Term Liabilities	\$129,350,280	\$123,954,595	\$6,556,083	\$7,330,950	\$135,906,363	\$131,285,545
Current portion of Long Term (due within one year)	18,789,763	17,464,751	785,950	769,617	19,575,713	18,234,368
Long Term Liabilities - Non Current	\$110,560,517	\$106,489,844	\$5,770,133	\$6,561,333	\$116,330,650	\$113,051,177

Principal obligations for existing long-term bonded debt were reduced in accordance with existing debt service schedules. For the details regarding components of long-term liabilities including debt service schedules, please refer to Note 8.

Ongoing claims in Insurance Claim Reserves are due to liability and workers compensation claims. The increase of \$1,590,823 is due the increase of liability claim reserves of \$1,066,339 while worker's compensation reserves increased by \$524,484.

State statutes limit the amount of general obligation debt a governmental entity may issue to 3.75% of its total assessed valuation. The current debt limitation for the City of Manhattan Beach (Fiscal Year 2023-2024) is \$795 million.

GASB 68 AND EFFECT OF PENSION ACTIVITY ON NET POSITION

The City contracts with the California Public Employees Retirement System (CalPERS) to provide retirement benefits for all full-time employees and qualified part-time employees. City plans cover qualified miscellaneous and safety employees as further described in Note 10.

The implementation of GASB 68 in Fiscal Year 2014-15 fundamentally changed the presentation of financial statements. Public agencies are required to recognize net pension liabilities (NPL), which are equal to the gross pension liability less fiduciary assets. Further, public agencies rely on CalPERS to provide valuations of these pension-related fiduciary assets and liabilities. Due to the timing of CalPERS reports, the measurement date for the City's retirement reporting lags by one year.

CalPERS makes actuarial assumptions and projections regarding the population of employees such as salary progression, expected date of retirement, mortality, turnover and, most importantly, the rate of return on investments. With this information, CalPERS actuaries determine the accrued pension liability. CalPERS also determines the value of its fiduciary net position (cash and investments). Ideally, the difference between the accrued pension liability and fiduciary net position would be zero. However, in recent years, CalPERS actual results have deviated significantly from assumptions and investment return projections.

It is fundamental to keep in mind that pension results presented in any year's ACFR, is based on a measurement date as June 30, prior year. Therefore, measurement date for this year's ACFR is June 30, 2023.

In May 2021, the City has issued \$91 million in pension obligations bonds (POBs), which virtually eliminated unfunded liability as of FY 2019 by replacing it with bonded debt. The decision to issue POBs was made based on (1) an escalating amortization table that would incrementally increase NPL payments up to \$4 million annually in the next 10 years, (2) historically low interest rates, and (3) a CalPERS discount rate of 7.15%. By issuing the POBs, the City was able to finance 100% of the current NPL at a true interest cost of 2.72%, 4.43% lower than the CalPERS discount rate at the time of issuance. Moreover, the POBs allow the City to budget debt service payments at a level of \$5.5 million annually rather than trying to balance the budget for escalating NPL payments that will eventually rise up to \$10 million by 2032. While there is little effect to the City's net position in the short term, the POBs are estimated to save the City \$43.5 million in NPL payments over the next 25 years.

In Fiscal Year 2020-2021, CalPERS generated 21.3% investment returns, which triggered a risk mitigation policy that CalPERS put in place to lower the discount rate and derisk the plan. Due to the high returns generated in FY 2020-2021, the discount rate was lowered from 7% to 6.8%. In the years that CalPERS does not generate investment returns equal to or higher than the discount rate, it typically results in additional unfunded liability for the City. By lowering the discount rate, it enables CalPERS to meet their investment goals more easily.

In Fiscal Year 2023-2024, the City recorded net pension liability of \$24,287,677, primarily due to CalPERS reporting net investment returns of -6.1% in Fiscal Year 2021-2022 and 5.8% in FY 2022-2023. The net pension liability can significantly impact the City's reported Net Position. Since the Governmental Funds absorb over 95% of pension expense (general government, public safety, public works and recreation employees), the result is a net pension liability of \$23,454,350 in the net position of Governmental activities. Due to the significantly smaller employee population in Business-type activities, these funds have a much smaller net pension liability of \$833,327.

The City's pension expense for CalPERS was \$17,179,889 in FY 2023-2024 (based on the measurement date of June 30, 2023), changes in net deferrals decreased \$10,730,685 and NPL increased by \$8,517,446. The City's contribution (deferred) to CalPERS in FY 2023-2024 was \$5.6 million. Contributions in FY 2024-2025 are budgeted at \$5.8 million.

Note 11 provides a breakdown by group (Miscellaneous and Public Safety) and other relevant information. Of particular importance is the sensitivity analysis table indicating outcomes of changes to CalPERS assumed discount rate. For the measurement year ending June 30, 2023, the discount used for measurement purposes was 6.8%. As indicated in the sensitivity analysis table, any reduction in the discount rate leads to an increased net pension liability as well as greater current service costs. The City recognizes these rising costs and is consistently working on mitigating impacts to City services. This is disclosed in Note 11 as a subsequent event to the actuarial methods and assumption.

Managing future pension costs and meeting retirement obligations remain one of the City's biggest challenges. Over 95% of retirement costs are attributable to the City's Governmental Funds and growing pension costs have the potential to crowd out other funding needs. The City has therefore developed an Unfunded Pension Liability Policy to provide a guideline on addressing future NPL. Future pension costs and liabilities will be monitored continuously and addressed so that it does not grow substantially.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In June 2024, the City Council adopted the budget for FY 2024-2025. The original budget estimates General Fund revenues at \$99,093,155 (compared to FY 2023-2024 at \$93,615,461) and expenditures of \$99,713,616 (compared to FY 2023-2024 at \$93,009,510), resulting in an anticipated deficit of \$620,461 in FY 2024-2025.

Of the City's major General Fund revenue sources, the single biggest revenue source, property tax, has remained stable. Property tax is expected to increase in FY 2024-2025 by 5.0% over the FY 2023-2024 budget. Sales tax is projected to increase 2.7% from the FY 2023-2024 budget. Additionally, a new local transactions and use tax (Measure MMB) was approved by voters in November 2024. Taking effect in April 2025, this new revenue source is anticipated to collect about \$5.2 million per fiscal year. Modest growth in Transient Occupancy Taxes and Business License Taxes is also expected to trend with our local economy diversified in retail and hospitality.

General Fund budgeted expenditures are higher by \$6,704,106 compared to Fiscal Year 2023-2024 budget primarily due to increases in contract services, departmental supplies, and adjustments for inflation. Budgeted salaries and benefits (\$58,686,751) increased by \$3,077,295 compared to the FY 2023-2024 budget due to an increase in staffing and overtime. Materials and services (\$20,883,581) are higher by \$1,725,708 due to an increase in costs, primarily in contract services.

The City continues its focus on capital improvements. Expenditures of \$177.0 million (including carryover projects) are planned over the next five years for utility, street and facility projects. \$60.6 million of that amount is for water, wastewater, and stormwater projects, but this does not include future mandated improvement projects under the federal National Pollution Discharge Elimination System (NPDES). Approximately \$77.6 million has been budgeted for street and roadway needs as well as \$38.8 million for general facilities (including parking facilities). These projects will ensure continued functionality of vital systems, traffic flow and community facilities.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the financial position of the City of Manhattan Beach for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 1400 Highland Avenue, Manhattan Beach, California 90266.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

MANHATTAN BEACH
PUBLIC WORKS



CITY OF MANHATTAN BEACH, CALIFORNIA
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 92,664,438	\$ 40,851,368	\$ 133,515,806
Receivables:			
Accounts	1,306,681	1,256,313	2,562,994
Taxes	3,969,957	-	3,969,957
Accrued interest	890,344	-	890,344
Due from other governments	1,035,664	-	1,035,664
Grants	2,558,804	-	2,558,804
Notes and loans	49,088	-	49,088
Leases	22,922,368	-	22,922,368
Restricted assets:			
Cash and investments	3,599,985	-	3,599,985
Cash with fiscal agent	1,305,903	117,382	1,423,285
Due from OPEB trust fund	361,752	-	361,752
Inventories	107,520	763,095	870,615
Prepaid costs	56,494	-	56,494
Capital assets (not being depreciated)	59,748,747	57,435,640	117,184,387
Capital assets (net of accumulated depreciation/amortization)	93,074,339	44,148,667	137,223,006
Total assets	283,652,084	144,572,465	428,224,549
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	241,407	-	241,407
Pension-related	43,155,092	1,006,726	44,161,818
OPEB-related	6,583,415	652,779	7,236,194
Total deferred outflows of resources	49,979,914	1,659,505	51,639,419
LIABILITIES			
Accounts payable	4,365,156	4,128,229	8,493,385
Accrued liabilities	3,072,502	334,342	3,406,844
Accrued payroll	1,266,192	-	1,266,192
Accrued interest	221,061	107,720	328,781
Deposits payable	4,164,174	106,297	4,270,471
Unearned revenue	2,127,826	-	2,127,826
Noncurrent liabilities:			
Due within one year: bonds, notes, leases, SBITA, claims, and compensated absences	18,789,763	785,950	19,575,713
Due in more than one year:			
Net pension liability	23,454,350	833,327	24,287,677
Net OPEB liability	3,213,906	318,677	3,532,583
Bonds, notes, leases, SBITA, claims, and compensated absences	112,124,330	6,681,420	118,805,750
Total liabilities	172,799,260	13,295,962	186,095,222
DEFERRED INFLOWS OF RESOURCES			
Pension-related	20,667,060	43,960	20,711,020
OPEB-related	5,226,251	518,212	5,744,463
Lease-related	22,380,509	-	22,380,509
Total deferred inflows of resources	48,273,820	562,172	48,835,992
NET POSITION			
Net investment in capital assets	126,578,644	95,964,968	222,543,612
Restricted:			
Public safety	778,900	-	778,900
Parks and recreation	1,174,175	-	1,174,175
Public works	302,405	-	302,405
Capital projects	11,052,540	-	11,052,540
Pension Benefits	3,599,985	-	3,599,985
Debt service	1,083,533	-	1,083,533
Business improvement districts	-	362,020	362,020
Unrestricted	(32,011,264)	36,046,848	4,035,584
Total net position	\$ 112,558,918	\$ 132,373,836	\$ 244,932,754

See Notes to Financial Statements.

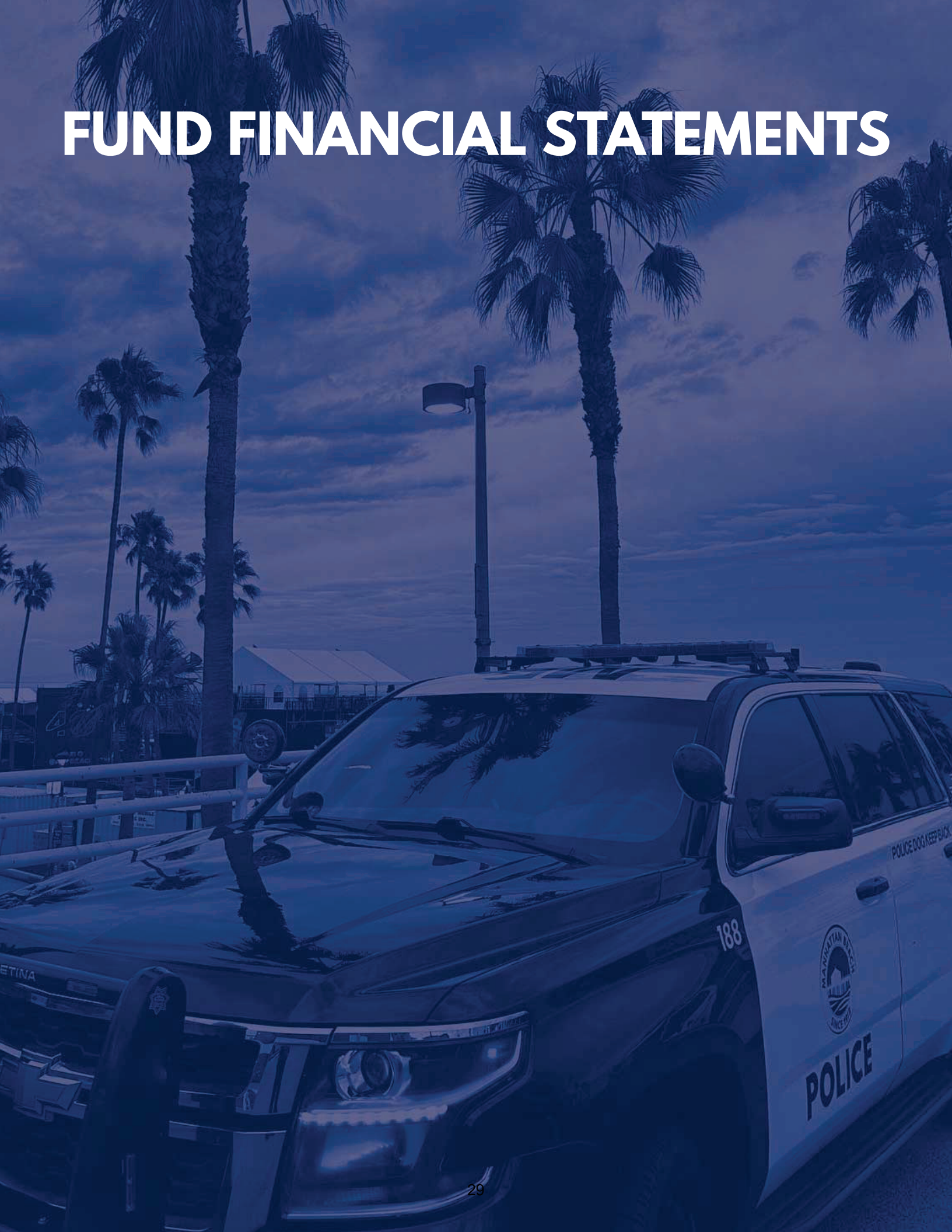
CITY OF MANHATTAN BEACH, CALIFORNIA
Statement of Activities
For the Year Ended June 30, 2024

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs:				
Primary government:				
Governmental activities:				
General government	\$ 20,658,755	\$ 5,000,111	\$ 349,705	\$ 305,521
Public safety	68,071,122	4,623,538	375,089	-
Culture and recreation	11,262,864	4,615,812	-	-
Public works	16,407,350	7,242,420	1,292,319	2,886,856
Interest on long-term debt	2,515,534	-	-	-
Total governmental activities	118,915,625	21,481,881	2,017,113	3,192,377
Business-type activities:				
Water	14,223,442	15,770,377	86,901	-
Storm drain	1,243,978	357,941	-	-
Wastewater	2,798,027	3,619,564	16,959	-
Parking	2,797,376	4,374,352	-	-
County Parking Lot	724,371	1,022,570	-	-
State Pier and Parking Lot	1,964,602	775,897	-	-
Total business-type activities	23,751,796	25,920,701	103,860	-
Total primary government	\$ 142,667,421	\$ 47,402,582	\$ 2,120,973	\$ 3,192,377
General revenues and transfers:				
General revenues:				
Property taxes				
Sales taxes				
Transient occupancy taxes				
Franchise taxes				
Business licenses taxes				
Other taxes				
Use of money and property				
Other				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position-beginning				
Restatement of net position - correction of an error				
Net position-ending				

<hr/> Net (Expenses) Revenues and Changes in Net Position <hr/>		
Primary Government <hr/>		
Governmental Activities	Business-Type Activities	Total
\$ (15,003,418)	\$ -	\$ (15,003,418)
(63,072,495)	-	(63,072,495)
(6,647,052)	-	(6,647,052)
(4,985,755)	-	(4,985,755)
(2,515,534)	-	(2,515,534)
(92,224,254)	-	(92,224,254)
-	1,633,836	1,633,836
-	(886,037)	(886,037)
-	838,496	838,496
-	1,576,976	1,576,976
-	298,199	298,199
-	(1,188,705)	(1,188,705)
-	2,272,765	2,272,765
(92,224,254)	2,272,765	(89,951,489)
43,851,831	-	43,851,831
13,985,150	-	13,985,150
9,797,116	-	9,797,116
1,435,830	-	1,435,830
5,422,317	-	5,422,317
1,231,040	-	1,231,040
7,912,600	2,311,719	10,224,319
734,724	-	734,724
(1,304,507)	1,304,507	-
83,066,101	3,616,226	86,682,327
(9,158,153)	5,888,991	(3,269,162)
121,022,553	124,291,125	245,313,678
694,518	2,193,720	2,888,238
\$ 112,558,918	\$ 132,373,836	\$ 244,932,754



FUND FINANCIAL STATEMENTS



CITY OF MANHATTAN BEACH, CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2024

		Capital Projects Funds	Total Nonmajor Funds	Total Governmental Funds
	General	Capital Improvement		
ASSETS				
Cash and investments	\$ 39,683,833	\$ 13,068,162	\$ 14,856,532	\$ 67,608,527
Receivables (net of allowance for uncollectible):				
Accounts	1,288,731	-	6,331	1,295,062
Taxes	3,866,864	103,093	-	3,969,957
Accrued interest	890,344	-	-	890,344
Due from other governments	283,899	-	408,597	692,496
Grants	184,450	699,996	2,017,526	2,901,972
Notes and loans	49,088	-	-	49,088
Leases	22,922,368	-	-	22,922,368
Due from OPEB Trust Fund	361,752	-	-	361,752
Inventories	2,099	-	-	2,099
Prepaid costs	56,494	-	-	56,494
Restricted assets:				
Cash and investments	3,599,985	-	-	3,599,985
Cash and investments with fiscal agents	1,083,533	222,370	-	1,305,903
Total assets	\$ 74,273,440	\$ 14,093,621	\$ 17,288,986	\$ 105,656,047
LIABILITIES				
Accounts payable	\$ 1,771,230	\$ 854,277	\$ 864,353	\$ 3,489,860
Accrued liabilities	2,426,377	231,159	414,966	3,072,502
Accrued payroll	1,266,192	-	-	1,266,192
Deposits payable	4,162,433	-	1,741	4,164,174
Unearned revenues	1,613,833	-	513,993	2,127,826
Interest payable	-	218,759	-	218,759
Total liabilities	11,240,065	1,304,195	1,795,053	14,339,313
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	271,105	82,996	1,990,761	2,344,862
Lease-related	22,380,509	-	-	22,380,509
Total deferred inflows of resources	22,651,614	82,996	1,990,761	24,725,371
FUND BALANCES (DEFICITS)				
Nonspendable	649,540	-	-	649,540
Restricted	4,683,518	-	13,308,020	17,991,538
Committed	-	12,706,430	195,152	12,901,582
Assigned	57,289	-	-	57,289
Unassigned	34,991,414	-	-	34,991,414
Total fund balances (deficits)	40,381,761	12,706,430	13,503,172	66,591,363
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 74,273,440	\$ 14,093,621	\$ 17,288,986	\$ 105,656,047

CITY OF MANHATTAN BEACH, CALIFORNIA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2024

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds		\$ 66,591,363
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		146,828,264
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows-pension related	\$ 41,750,992	
Deferred outflows-OPEB related	6,375,431	
Deferred inflows-pension related	(20,602,895)	
Deferred inflows-OPEB related	<u>(5,061,143)</u>	
Total deferred outflows and inflows related to postemployment benefits		22,462,385
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either labeled unavailable or not reported in the funds.		
Long-term receivables	<u>2,344,862</u>	
Total other long-term assets		2,344,862
Internal service funds provide services to other funds on a cost-reimbursement basis. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Activities.		7,451,662
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Pension Obligation Bonds	(76,395,064)	
COPS Payable	(15,760,000)	
Leases and SBITA payable	(9,097,934)	
Compensated absences	(5,193,806)	
Net pension liability	(22,238,036)	
Net OPEB liability	<u>(3,112,372)</u>	
Total long-term liabilities		(131,797,212)
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities.		
Deferred amount on refunding	241,407	
Bond premiums	<u>(1,563,813)</u>	
Total premiums, discounts, and deferred items		<u>(1,322,406)</u>
Net position of governmental activities		<u>\$ 112,558,918</u>

CITY OF MANHATTAN BEACH, CALIFORNIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

		Capital Projects Funds		
	General	Capital Improvement	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 70,957,916	\$ 1,062,511	\$ 3,702,857	\$ 75,723,284
Licenses and permits	4,340,758	41,791	-	4,382,549
Intergovernmental	742,757	1,707,064	4,515,844	6,965,665
Charges for services	13,424,323	596,949	2,803	14,024,075
Use of money and property	7,146,781	2,443	1,048,614	8,197,838
Fines and forfeitures	1,953,584	78,284	-	2,031,868
Contributions	-	156,558	-	156,558
Miscellaneous	1,202,262	-	9,104	1,211,366
Total revenues	99,768,381	3,645,600	9,279,222	112,693,203
EXPENDITURES				
Current:				
General government	18,145,903	-	-	18,145,903
Public safety	48,738,762	-	157,913	48,896,675
Culture and recreation	9,371,097	-	674,379	10,045,476
Public works	10,126,724	184,456	1,685,099	11,996,279
Capital outlay	9,406,018	3,796,195	9,147,770	22,349,983
Debt service:				
Principal retirement	5,318,532	710,000	18,784	6,047,316
Interest and fiscal charges	2,310,089	456,277	11,131	2,777,497
Trustee fees and bond issuance cost	1,600	1,850	-	3,450
Total expenditures	103,418,725	5,148,778	11,695,076	120,262,579
Excess (deficiency) of revenues over (under) expenditures	(3,650,344)	(1,503,178)	(2,415,854)	(7,569,376)
OTHER FINANCING SOURCES (USES)				
Transfers in	775,434	1,994,920	252,991	3,023,345
Transfers out	(4,832,895)	-	(6,071)	(4,838,966)
Lease and subscriptions financing	9,403,714	-	-	9,403,714
Total other financing sources (uses)	5,346,253	1,994,920	246,920	7,588,093
Net change in fund balances	1,695,909	491,742	(2,168,934)	18,717
Fund balances (deficit)-beginning	38,685,852	12,214,688	15,672,106	66,572,646
Fund balances (deficit)-ending	\$ 40,381,761	\$ 12,706,430	\$ 13,503,172	\$ 66,591,363

CITY OF MANHATTAN BEACH, CALIFORNIA
Reconciliation of the Statement of Revenues, Expenses and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds: \$ 18,717

Governmental funds report capital outlays are expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.

Capital outlay	\$ 21,598,274	
Depreciation/amortization expense	<u>(5,772,227)</u>	
Total adjustment		15,826,047

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Earned but unavailable grant revenues	<u>(1,345,986)</u>	
Total adjustment		(1,345,986)

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Leases issued	(9,403,714)	
Amortization of bond premiums and discounts	94,156	
Amortization of deferred amounts on refunding	(32,189)	
Principal payments on leases	1,735,723	
Principal payments on subscriptions	77,677	
Principal payments on pension obligation bonds	3,260,147	
Principal payments on certificates of participation	<u>1,055,000</u>	
Total adjustment		(3,213,200)

Internal service funds provide services to other funds on a cost-reimbursement basis. The net revenue of certain activities of internal service funds is reported with governmental activities.

60,800

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued interest on long-term debt	531	
Compensated absences	(771,202)	
Changes in pension liabilities and related deferred outflows and inflows of resources	(18,567,677)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>(1,166,183)</u>	
Total adjustment		(20,504,531)

Change in net position of governmental activities	\$ <u>(9,158,153)</u>
--	------------------------------

CITY OF MANHATTAN BEACH, CALIFORNIA
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities				Governmental Activities	
	Water	Wastewater	Parking	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 10,844,772	\$ 17,391,605	\$ 5,222,040	\$ 7,392,951	\$ 40,851,368	\$ 25,055,911
Receivables:						
Accounts	917,636	325,826	5,935	6,916	1,256,313	11,619
Inventories	763,095	-	-	-	763,095	105,421
Restricted:						
Cash with fiscal agent	26,429	13,002	77,951	-	117,382	-
Total current assets	12,551,932	17,730,433	5,305,926	7,399,867	42,988,158	25,172,951
Noncurrent:						
Advances to other funds	-	-	675,000	-	675,000	-
Capital assets, net	66,926,926	11,274,257	17,699,367	5,683,757	101,584,307	5,994,822
Total noncurrent assets	66,926,926	11,274,257	18,374,367	5,683,757	102,259,307	5,994,822
Total assets	79,478,858	29,004,690	23,680,293	13,083,624	145,247,465	31,167,773
DEFERRED OUTFLOWS OF RESOURCES						
Pension-related	579,770	267,835	88,019	71,102	1,006,726	1,404,100
OPEB-related	274,909	113,258	28,829	235,783	652,779	207,984
Total deferred outflows of resources	854,679	381,093	116,848	306,885	1,659,505	1,612,084
LIABILITIES						
Current liabilities:						
Accounts payable	2,624,696	194,824	159,444	1,149,265	4,128,229	875,296
Accrued liabilities	120,267	4,884	122,062	87,129	334,342	-
Accrued interest	25,465	12,991	69,264	-	107,720	2,302
Deposits payable	25	-	410	105,862	106,297	-
Worker's compensation claims	-	-	-	-	-	9,059,914
Claims and judgments	-	-	-	-	-	3,083,394
Compensated absences	30,610	-	-	-	30,610	-
Leases	-	-	-	-	-	22,975
Subscriptions	-	13,053	-	-	13,053	41,128
Bonds	196,142	93,147	445,837	7,161	742,287	134,445
Total current liabilities	2,997,205	318,899	797,017	1,349,417	5,462,538	13,219,454
Noncurrent liabilities:						
Advances from other funds	-	-	-	675,000	675,000	-
Compensated absences	139,050	-	-	-	139,050	-
Worker's compensation claims	-	-	-	-	-	6,819,500
Claims and judgments	-	-	-	-	-	755,000
Bonds	1,123,508	478,309	4,781,441	159,112	6,542,370	2,987,120
Net pension liability	481,894	213,732	76,473	61,228	833,327	1,216,314
Net OPEB liability	134,206	55,291	14,074	115,106	318,677	101,534
Total noncurrent liabilities	1,878,658	747,332	4,871,988	1,010,446	8,508,424	11,879,468
Total liabilities	4,875,863	1,066,231	5,669,005	2,359,863	13,970,962	25,098,922
DEFERRED INFLOWS OF RESOURCES						
Pension-related	25,422	11,275	4,034	3,229	43,960	64,165
OPEB-related	218,238	89,911	22,886	187,177	518,212	165,108
Total deferred inflows of resources	243,660	101,186	26,920	190,406	562,172	229,273
NET POSITION						
Net investment in capital assets	66,582,064	11,091,542	12,607,605	5,683,757	95,964,968	5,931,169
Restricted for business improvement district	-	-	362,020	-	362,020	-
Unrestricted	8,631,950	17,126,824	5,131,591	5,156,483	36,046,848	1,520,493
Total net position	\$ 75,214,014	\$ 28,218,366	\$ 18,101,216	\$ 10,840,240	132,373,836	\$ 7,451,662

CITY OF MANHATTAN BEACH, CALIFORNIA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities					Governmental Activities
	Water	Wastewater	Parking	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES						
Charges for services	\$ 15,698,732	\$ 3,602,056	\$ 4,348,604	\$ 2,154,721	\$ 25,804,113	\$ -
Interdepartmental charges for services	-	-	-	-	-	19,254,920
Miscellaneous	71,645	17,508	25,748	1,687	116,588	36,850
Total operating revenues	15,770,377	3,619,564	4,374,352	2,156,408	25,920,701	19,291,770
OPERATING EXPENSES						
Salaries	1,471,329	709,105	155,985	227,057	2,563,476	2,675,601
Employee benefits	602,622	259,889	73,488	138,156	1,074,155	1,140,530
Contract for professional services	8,096,478	161,284	782,589	810,619	9,850,970	2,322,865
Materials and services	883,114	218,182	657,985	1,719,605	3,478,886	3,735,285
Utilities	278,451	103,941	106,999	75,132	564,523	131,813
Administrative service charges	1,590,814	823,645	534,000	275,950	3,224,409	-
Internal services	651,555	182,670	48,421	-	882,646	-
Leases and rents	-	-	-	562,412	562,412	-
Claims	-	-	-	-	-	8,496,064
Depreciation/amortization	622,564	327,550	329,295	119,814	1,399,223	1,060,242
Total operating expenses	14,196,927	2,786,266	2,688,762	3,928,745	23,600,700	19,562,400
Operating income (loss)	1,573,450	833,298	1,685,590	(1,772,337)	2,320,001	(270,630)
NONOPERATING REVENUES (EXPENSES)						
Interest revenue	933,542	918,393	202,597	257,187	2,311,719	-
Interest expense	(26,515)	(11,761)	(108,614)	(4,206)	(151,096)	(82,323)
Intergovernmental	86,901	16,959	-	-	103,860	-
Gain (loss) on disposal of capital assets	-	-	-	-	-	(97,361)
Total nonoperating revenues (expenses)	993,928	923,591	93,983	252,981	2,264,483	(179,684)
Income (loss) before capital contributions and transfers	2,567,378	1,756,889	1,779,573	(1,519,356)	4,584,484	(450,314)
Transfers in	-	-	-	2,376,698	2,376,698	1,011,741
Transfers out	(293,074)	(317,269)	(66,260)	(395,588)	(1,072,191)	(500,627)
Change in net position	2,274,304	1,439,620	1,713,313	461,754	5,888,991	60,800
Net position-beginning	72,934,832	26,762,946	16,387,903	8,205,444	124,291,125	7,390,862
Restatements	4,878	15,800	-	2,173,042	2,193,720	-
Net position-beginning, as restated	72,939,710	26,778,746	16,387,903	10,378,486	126,484,845	7,390,862
Net position-ending	\$ 75,214,014	\$ 28,218,366	\$ 18,101,216	\$ 10,840,240	\$ 132,373,836	\$ 7,451,662

CITY OF MANHATTAN BEACH, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities					Governmental Activities
	Water	Wastewater	Parking	Other Enterprise Funds	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 15,793,817	\$ 3,551,981	\$ 4,369,392	\$ 2,227,230	\$ 25,942,420	\$ -
Receipts from interfund charges	-	-	-	-	-	19,280,151
Payments to suppliers and service providers	(11,266,536)	(1,355,240)	(1,887,445)	(2,870,642)	(17,379,863)	(5,515,908)
Payments to employees for salaries and benefits	(1,914,129)	(909,631)	(203,456)	(278,107)	(3,305,323)	(3,381,342)
Other receipts (payments)	-	-	-	-	-	(6,905,241)
Net cash provided by (used for) operating activities	2,613,152	1,287,110	2,278,491	(921,519)	5,257,234	3,477,660
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	-	-	-	2,376,698	2,376,698	1,011,741
Transfers to other funds	(293,074)	(317,269)	(66,260)	(395,588)	(1,072,191)	(500,627)
Principal paid on non-capital debt	(41,602)	(17,148)	(5,784)	(7,098)	(71,632)	(133,224)
Interest paid on non-capital debt	(24,654)	(2,671)	(3,427)	(4,206)	(34,958)	(81,669)
Payments from other funds on interfund borrowings	-	-	225,000	-	225,000	-
Payments to other funds on interfund borrowings	-	-	-	(225,000)	(225,000)	-
Operating grants and contributions	86,901	16,959	-	-	103,860	-
Net cash provided by (used for) noncapital financing activities	(272,429)	(320,129)	149,529	1,744,806	1,301,777	296,221
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(3,832,397)	(560,663)	-	(78,568)	(4,471,628)	(2,172,813)
Principal paid on capital debt	(144,104)	(83,690)	(425,000)	-	(652,794)	(111,836)
Interest paid on capital debt	(4,655)	(10,287)	(259,743)	-	(274,685)	(17)
Proceeds from sales of assets	-	-	-	-	-	(652,792)
Net cash provided by (used for) capital and related financing activities	(3,981,156)	(654,640)	(684,743)	(78,568)	(5,399,107)	(2,937,458)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	933,542	918,393	202,597	257,187	2,311,719	-
Net cash provided by (used for) investing activities	933,542	918,393	202,597	257,187	2,311,719	-
Net increase (decrease) in cash and cash equivalents	(706,891)	1,230,734	1,945,874	1,001,906	3,471,623	836,423
Cash and cash equivalents-beginning	11,578,092	16,173,873	3,354,117	6,391,045	37,497,127	24,219,488
Cash and cash equivalents-ending	\$ 10,871,201	\$ 17,404,607	\$ 5,299,991	\$ 7,392,951	\$ 40,968,750	\$ 25,055,911

CITY OF MANHATTAN BEACH, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities					Governmental Activities
	Water	Wastewater	Parking	Other Enterprise Funds	Totals	Internal Service Funds
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION						
Cash and investments	\$ 10,844,772	\$ 17,391,605	\$ 5,222,040	\$ 7,392,951	\$ 40,851,368	\$ 25,055,911
Restricted cash and investments	-	-	-	-	-	-
Cash with fiscal agent	26,429	13,002	77,951	-	117,382	-
Total cash and cash equivalents	<u>\$ 10,871,201</u>	<u>\$ 17,404,607</u>	<u>\$ 5,299,991</u>	<u>\$ 7,392,951</u>	<u>\$ 40,968,750</u>	<u>\$ 25,055,911</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating income (loss)	\$ 1,573,450	\$ 833,298	\$ 1,685,590	\$ (1,772,337)	\$ 2,320,001	\$ (270,630)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation/amortization expense	622,564	327,550	329,295	119,814	1,399,223	1,060,242
(Increase) decrease in accounts receivable	23,440	(67,583)	(4,960)	91,117	42,014	(11,619)
(Increase) decrease in inventories	81,226	-	-	-	81,226	(16,180)
Increase (decrease) in accounts payable	651,176	129,758	121,782	490,860	1,393,576	690,235
Increase (decrease) in accrued liabilities	(498,526)	4,724	120,767	82,216	(290,819)	-
Increase (decrease) in deposits payable	-	-	-	(20,295)	(20,295)	-
Increase (decrease) in compensated absences	(50,444)	-	-	-	(50,444)	-
Increase (decrease) in claims and judgments	-	-	-	-	-	1,590,823
Increase (decrease) in net pension liability and related items	145,232	35,332	20,753	24,851	226,168	421,773
Increase (decrease) in net OPEB liability and related items	65,034	24,031	5,264	62,255	156,584	13,016
Total adjustments	<u>1,039,702</u>	<u>453,812</u>	<u>592,901</u>	<u>850,818</u>	<u>2,937,233</u>	<u>3,748,290</u>
Net cash provided by (used for) operating activities	<u>\$ 2,613,152</u>	<u>\$ 1,287,110</u>	<u>\$ 2,278,491</u>	<u>\$ (921,519)</u>	<u>\$ 5,257,234</u>	<u>\$ 3,477,660</u>

CITY OF MANHATTAN BEACH, CALIFORNIA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Custodial Funds Special Assessment Redemption
ASSETS	
Cash and cash equivalents	\$ 1,476,888
Cash and investments with fiscal agents	1,209,111
Total assets	2,685,999
LIABILITIES	
Accounts payable	9,624
Payable to bondholders	2,676,375
Total liabilities	2,685,999
NET POSITION	
Restricted for bondholders	-
Total net position	\$ -

CITY OF MANHATTAN BEACH, CALIFORNIA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	Custodial Funds Special Assessment Redemption
ADDITIONS	
Special assessments	\$ 1,513,856
Interest income	57,361
Total additions	1,571,217
DEDUCTIONS	
Professional services	9,280
Principal payment	1,245,000
Interest expenses	316,937
Total deductions	1,571,217
Net increase (decrease) in fiduciary net position	-
Net position-beginning	-
Net position-ending	\$ -



NOTES TO FINANCIAL STATEMENTS





NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The City of Manhattan Beach, California (the City), was incorporated on December 12, 1912, under the laws of the State of California and enjoys all the rights and privileges applicable to a general law city. It is governed by an elected five-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Manhattan Beach (the primary government) and its component unit, the Manhattan Beach Capital Improvements Corporation. The component unit is included in the reporting entity because of the significance of its operational or financial relationships with the City of Manhattan Beach. It is governed by the City Council of the City of Manhattan Beach and its activities exclusively benefit the City, therefore it is presented as a blended component unit. Separate financial statements are not prepared for the Manhattan Beach Capital Improvements Corporation.

Blended Component Unit

Manhattan Beach Capital Improvements Corporation - The Manhattan Beach Capital Improvements Corporation (the Corporation) is a nonprofit public benefits corporation, organized under the laws of the State of California in September 1996, pursuant to the Nonprofit Public Benefit Corporation Laws (Title I, Division 2, Part 2, Section 5110). The sole purpose of the Corporation is to issue debt for capital improvements. Certificates of participation are debt issued by the Corporation providing the holder an interest, i.e. the right to participate in the lease payments paid by the City to the Corporation. There are no separately issued financial statements for this entity.

B. Description of Funds

The accounts of the City are organized and operated on the basis of funds, each of which is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

In accordance with the City's municipal code and budget, several different types of funds are used to record the City's financial transactions. For financial reporting purposes, such funds have been categorized and are presented as follows:

Governmental Fund Types

General Fund - to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds - to account for the proceeds of specific revenue sources (other than for major capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

Capital Projects Funds - to account for financial resources segregated for the acquisition or construction of major capital facilities, other than those financed by Enterprise or Internal Service Funds. In recent years, the Underground Assessment District Fund was added to this category.

Proprietary Fund Types

Enterprise Funds - to account for operations where it is the stated intent that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges, or where determination of net income is deemed appropriate.

Internal Service Funds - to account for insurance reserve, information systems, building maintenance and operations, and fleet management services provided to the departments of the City on a continuing basis, which are financed or recovered primarily by charges to the user departments.

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary Fund Types

Custodial Funds - to account for special assessment collections for debt service for the underground assessment bonds that the City remits to the fiscal agent.

C. Basis of Accounting/Measurement Funds

Government-Wide Financial Statements

The City government-wide financial statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of Governmental Activities and Business-Type Activities for the City. Fiduciary Activities of the City are not included in these statements.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets, deferred inflows and outflows of resources, and liabilities, including capital assets and infrastructure as well as long-term debt are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which the benefit is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The types of program revenues for the City are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenue are reported instead as general revenue.

Government-wide financial statements do not provide information by fund; they simply distinguish between governmental and business-type activities. The City’s Statement of Net Position includes current and noncurrent assets and liabilities, as well as deferred inflows and outflows of resources.

Financial Statement Classification

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in capital assets - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of capital assets reduce this category.

Restricted Net Position - This category presents restrictions imposed by creditors, grantors, contributions or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position of the City, not restricted for any project or other purpose.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenue, Expenditures and Change in Fund Balances for all major governmental funds and aggregated nonmajor funds. An accompanying schedule is presented to reconcile and explain the differences in fund balance as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met the qualifications of GASB Statement No. 34.

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All governmental funds are accounted for by using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included in the governmental fund balance sheet. Related operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

The modified accrual basis of accounting is used by all governmental funds as the basis for recognizing revenues. Under the modified accrual basis of accounting, revenues are susceptible to accrual and consequently recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be readily determined, and "available" means that the transaction amount is collectible within the current period or soon thereafter (generally 60 days after year-end) to be used to pay liabilities of the current period. Revenues considered susceptible to accrual include property taxes and sales taxes collected after year-end, earned and uncollected investment interest income, uncollected rents and leases and unbilled service receivables. Revenues from such items as license and permit fees, fines and forfeitures and general service charges are not susceptible to accrual because they are generally not measurable until received in cash.

The government reports unearned revenue on its balance sheet for grant monies received before the City has a legal claim to them, such as grant funds received prior to incurring qualified expenses. In subsequent periods, the unearned revenue is removed once revenue recognition criteria are met and the City has established legal claim to the resources.

Governmental fund expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when they are due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Proprietary Funds Financial Statements

Proprietary funds financial statements include a Statement of Fund Net Position, a Statement of Revenues, Expenses and Change in Fund Net Position, and a Statement of Cash Flows. All proprietary fund types are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. With this measurement focus, all assets, deferred outflows/inflows of resources and liabilities (current and long-term) resulting from the operations of these funds are included in the Statement of Net Position. Accordingly, the proprietary fund Statement of Net Position presents assets, deferred inflows/outflows of resources and liabilities classified into their respective current and long-term categories.

The City's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service funds are consolidated into the governmental activities column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for services. Operating expenses include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

There is no look-back adjustment on the statement of fund net position and the statement of revenues, expenses and changes in fund net position for the enterprise funds' participation in the internal services funds because these transactions are paid in cash, therefore there is no internal balance related to what can be considered a quasi-external transaction.

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major Funds

Governmental Accounting Standards Board Statement 34 (GASB 34) requires the City to report all major funds in the basic financial statements. In accordance with GASB 34, the following funds are classified as major governmental funds:

General Fund – used to account for all unrestricted resources except those required to be accounted for in another fund. This fund accounts for general citywide operations.

Capital Improvement Fund – used to account for financial resources segregated for the acquisition or construction of major capital facilities, other than those financed by Enterprise, Internal Service Funds, or other project specific funds.

The following funds are classified as major proprietary funds:

Water Fund - used to account for the operation of the City's water utility system. Revenues are generated from user fees, which are adjusted periodically to meet the costs of administration, operation, maintenance and capital improvements to the system. In fiscal year 1997, the City completed a comprehensive utility fee study and issued certificates of participation for the purpose of upgrading the City's water and wastewater systems.

Wastewater Fund - used to account for the maintenance and improvements of the City's sewer system. Revenues are derived from a user charge placed on the water bills. In fiscal year 1997, the City completed a comprehensive utility fee study and issued certificates of participation for the purpose of upgrading the City's water and wastewater system.

Parking Fund - used to account for the general operations and maintenance of City parking lots and spaces. Revenues are generated from the use of these properties.

D. Property Tax Calculator

Property tax revenue is recognized on the modified accrual basis, that is, in the fiscal year for which the taxes have been levied providing they become available. Available means due or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of Los Angeles collects property taxes for the City. Tax liens attach annually as of 12:01 AM on the first day in January prior to the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property, as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, by December 10 and April 10, respectively. Unsecured personal property taxes become due on March 1 of each year and are delinquent, if unpaid, on August 31.

E. Cash and Investments

Cash and Cash Equivalents

For purpose of the Statement of Cash Flows, the City considers cash and cash equivalents as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. The City follows the practice of pooling cash and investments of all funds except for funds in its 125 medical flex plan; its Section 115 Trust, and its outstanding Water and Wastewater; Marine Avenue Sports Field; and Metlox, Police & Fire Facility bonded debt, which are held by outside trustees.

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are shown at fair value, in accordance with GASB Statements No. 31 and No. 72. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

For purposes of the Statement of Cash Flows, the proprietary fund types consider all cash and investments to be cash equivalents, as these funds participate in the citywide cash and investment pool.

F. Restricted Cash and Investments

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Additionally, the City established the PARS Post-Employment Benefits Trust as a tax-exempt trust within the meaning of Section 115 of the IRS Code and relevant statutory provisions of the State of California for the purpose of pre-funding pension obligation and/or OPEB obligation. The City's adoption and operation of the Trust has no effect on any of the current or former employee's entitlement to post-employment benefits. The balances and activities of the Trust are irrevocably dedicated to funding future post-employment benefit obligations. The assets will benefit the City through reduced future cash flow demands on the City's General fund resources and continue to be assets of the City. These amounts are reflected as restricted cash and investments in the General fund.

G. Capital Assets

Capital assets, which include land, machinery and equipment, buildings and improvements, leases, subscriptions, intangibles, and infrastructure (roads, bridges, curbs and gutters, streets, walk-streets and sidewalks, parks and recreation improvements), are reported in the government-wide financial statements. Capital assets and infrastructure are defined by the City as assets with an initial, individual cost of more than \$5,000 and \$100,000 respectively (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Capital assets are reported net of accumulated depreciation and amortization on the Statement of Net Position. Depreciation and amortization is provided for on the straight-line method over the estimated useful lives of the assets as follows:

<u>Asset</u>	<u>Years</u>
Equipment	5-20
Vehicles	3-20
Buildings/Improvements	40-100
Leases	5-100
Subscriptions	10
Intangible Assets	10
Water and Sewer Systems	30-50
Other Infrastructure	15-100

Major outlays for capital assets and improvements are capitalized as projects are constructed.

H. Leases

Leases are defined as the right to use an underlying asset. As lessee, the City recognizes a lease liability and an intangible lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-to-use lease assets are measured based on the net present value of the

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

future lease payments at inception, using the weighted average cost of capital, which approximate the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The City calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred. As lessor, the City recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of receivables at the beginning of the lease term. Periodic amortization of the discount on the receivable are reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Re-measurement of lease receivables occur when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference. For lease contracts that are short-term, the City recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period.

I. Subscriptions

Subscription-Based Information Technology Arrangements (SBITAs) are contracts that convey control of the right to use another party's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. To determine whether a contract conveys control of the right to use the underlying IT assets, the City assesses both the right to obtain the present service capacity from use of the underlying IT assets and the right to determine the nature and manner of use of the underlying IT assets as specified in the contract. Contracts that solely provide IT support services are excluded from the definition of a SBITA. The subscription term is the period during which the City has a noncancellable right to use the underlying IT assets, plus the periods covered by the City's option to extend the SBITA if it is reasonably certain, based on all relevant factors, that the government will exercise that option. Periods for which both the government and the SBITA vendor have an option to terminate the SBITA without permission from the other party (or if both parties have to agree to extend) are cancellable periods and are excluded from the subscription term.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government reports deferred outflows of resources for pension contributions made after the actuarial measurement date which will be recognized in the following year, for the net difference between projected and actual earnings on pension and OPEB plan investments, the difference between expected and actual experience, the changes of assumptions, adjustments due to the difference in proportions, and the difference in proportionate share. The government also reports deferred outflows for deferred charges on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Financial Position and the Governmental Fund Balance Sheet report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government has several items that qualify for reporting in this category:

1. Unavailable revenue reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from grant revenues. These amounts are deferred and recognized as an inflow of resources in the period when they become available.
2. Pension and OPEB related deferred inflows are reported only on the Statement of Net Position. The government reports deferred inflows of resources related to pensions arising from certain changes in the net pension liability, net pension asset, or net OPEB asset. Deferred inflows and outflows of resources related to changes in the net pension liability, net pension asset, and net OPEB asset are recognized systematically over time. Amounts are first recognized in the year the change occurs. The remaining amounts are to be recognized in future periods. The recognition period differs depending on the source of the change, and they currently are amortized over 5 years or the average remaining service lifetime.
3. A deferred inflow of resources related to leases is reported for the value of lease receivable payments to be recognized as an inflow of resources in a systematic and rational manner over the term of the lease agreements.

K. Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For the pension plan administered under the California Public Employee's Retirement System (CalPERS), the following timeframes are used:

Valuation Date: June 30, 2022
Measurement Date: June 30, 2023
Measurement Period: July 1, 2022 to June 30, 2023

L. Net Other Post-Employment Benefits (OPEB) Liability

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date: June 30, 2023
Measurement Date: June 30, 2023
Measurement Period: July 1, 2022 to June 30, 2023

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Interfund Transfers

As a general rule, interfund transactions have been eliminated from the government-wide financial statements. Exceptions to this rule are payments in lieu or charges for current service between the City's enterprise activity and the City's governmental funds. Elimination of these transactions would distort the direct costs and program revenues for the various functions. Certain eliminations have been made regarding interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental, business-type, and fiduciary activities have not been eliminated.

N. Long-Term Obligations

In the government-wide and proprietary funds financial statements, long-term obligations are recorded as liabilities in the applicable governmental activities, business-type activities or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the debt using the effective interest method. In the governmental fund financial statements, long-term obligation, bond discounts and premiums are recognized as other financing sources or uses when incurred. Issuance costs are recorded as a current year expenditure.

The City has recorded all judgment and claim liabilities resulting from workers' compensation and liability insurance claims in the Insurance Reserve Fund, which is a component of the Internal Service funds group. The recorded liability is based upon an estimate of reported claims as provided by an analysis of a third-party administrator.

Only the short-term liability is reflected as a current liability in all applicable governmental fund types; the remainder of the liability is reported as long-term debt in the Statement of Net Position.

O. Vacation and Sick Leave

The City's policy is to record the cost of vested vacation and sick leave as it is earned. Vacation is payable to employees at the time a vacation is taken or upon termination of employment. At termination, employees are eligible to convert 50% of unused sick time to service credit; however, sworn fire safety personnel, upon service retirement, may opt to cash out 50% of the value of unused sick leave. Miscellaneous and sworn police employees may accrue compensated time off in lieu of payment for overtime hours. Overtime hours are banked at either time-and-a-half or straight-time hours depending upon the nature of the overtime worked. The dollar value of these hours is included as an employee benefits liability as shown in the balance sheet.

P. Allocation of Interest Income

The City pools all non-restricted cash for investment purchases and allocates interest income based on month-end cash balances. Interest earned by restricted Cash is posted to their respective accounts.

Q. Other Accounting Policies

Inventories - Inventories of materials and supplies are carried at cost on a weighted-average basis. The City uses the consumption method of accounting for inventories.

Prepaid items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Estimates

The accompanying financial statements require management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

S. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

T. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

U. Fund Balance Policy

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes.

- Non-spendable fund balance is the portion of fund balance that cannot be spent due to form. Examples include inventories, prepaid amounts, long-term loans, and notes receivable, unless the proceeds are restricted, committed or assigned. Also, amounts that must be maintained intact legally or contractually, such as the principal of a permanent fund are reported within the non-spendable category.
- Restricted fund balance is the portion of fund balance that is subject to externally enforceable limitations by law, enabling legislation or limitations imposed by creditors or grantors. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).
- The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.
- Assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- Unassigned fund balance is the residual classification that includes all spendable amounts in the General Fund not contained in other classifications.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balance and Net Position

At June 30, 2024, the Insurance Reserve, Information Systems, and Building Maintenance and Operations Fund have a deficit net position of \$468,825, \$231,742 and \$456,122, respectively. The deficit is the result of non-current liabilities and will be resolved by future revenues and contributions from other funds.

NOTE 3: CASH AND INVESTMENTS

As of June 30, 2024, cash and investments were reported in the accompanying financial statements as follows:

Governmental Funds	\$ 72,514,415
Internal Service Funds	25,055,911
Business-Type Activities	40,968,750
Fiduciary Funds	2,685,999
	<u>\$ 141,225,075</u>

The City pools all cash and investments that is available for use for all funds, including fiduciary funds. Unrestricted and restricted cash and investments, as indicated in the government-wide statement of net position, do not include fiduciary cash and investments. These cash amounts are included in the Statement of Fiduciary Net Position – Fiduciary Funds. Each fund type's position in the pool is reported on the Combined Balance Sheet as cash and investments. The City has adopted an investment policy, which authorizes it to invest in various investments.

A. Deposits

At June 30, 2024, the carrying amount of the City's deposits after outstanding checks and deposits in transit was \$3,831,319 and the bank balance was \$6,445,008. The \$(2,613,689) difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of an entity's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City's Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the City.

B. Authorized Investments

Under provisions of the City's Investment Policy, and in accordance with Section 53601 of the California Government Code, the City may invest in the following types of investments:

- Securities of the U.S. Government, or its agencies
- Certificates of Deposit (or Time Deposits) placed with commercial banks and/or savings and loan associations.
- Negotiable Certificates of Deposit
- Bankers Acceptances
- Commercial Papers

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

- Local Agency Investment Fund (State Pool) Demand Deposits
- Passbook Savings Account Demand Deposits
- Federally Insured Thrift and Loan
- Repurchase Agreements
- Medium-Term Corporate Notes
- Floaters or step-ups with market driven interest rate adjustments
- Mutual Funds of highest ratings

The City's investment policy does not allow the use of reverse-repurchase agreements and, accordingly, the City did not borrow through the use of reverse-repurchase agreements at any time during the year.

C. Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Entity's investment policy.

D. Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares. The City is required to disclose its methods and assumptions used to estimate the fair value of its holdings in LAIF. The City relied upon information provided by the State Treasurer in estimating the City's fair value position of its holdings in LAIF. The City had a contractual withdrawal value of \$36,162,565 whose pro-rata share of fair value was estimated by the State Treasurer to be \$36,029,344.

E. GASB Statement No. 31

The City adopted GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the Entity reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement. The City maintains investment accounting records and adjusts those records to "fair value" on an annual basis for material amounts. The City's investment custodian provides market values on each investment instrument on a monthly basis for material amounts. The investments held by the City are widely traded in the financial markets and trading values are readily available from numerous published sources. Material unrealized gains and losses are recorded on an annual basis and the carrying value of its investments is considered fair value. For the year ended June 30, 2024, the book value of investments exceeded fair value the by \$4,040,431.

F. Credit Risk

The City's investment policy limits investments in medium-term notes (MTN's) to those rated in the top three rating categories by two of the three largest nationally recognized rating services at time of purchase. As of June 30, 2024, the City's investment in medium-term notes consisted of investments with Microsoft Corp., Coca Cola Co., Costco Wholesale Corp., Apple Inc., Toyota Motor Credit Corp., Bank of New York Mellon Corp., Walt Disney Company, Merck & Co., Amazon.com Inc., Walmart Inc., Johnson & Johnson, Colgate-Palmolive, and Pepsico. All MTN's were rated "A" or higher by Moody's at time of purchase. Investment in government agencies issued by the Federal National Mortgage Association, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, and the Federal Farm Credit Banks were rated "Aaa" by Moody's and "AA+" by Standard & Poor's. Asset-Backed Securities were rated "Aaa" by Moody's and "AAA" by Standard & Poor's. All

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

securities were investment grade and were legal under state and city policies. Investments in U.S. government securities are not considered to have credit risk; therefore, their credit quality is not disclosed. As of June 30, 2024, the City's investments in external investment pools and money market mutual funds are unrated.

G. Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk. As of June 30, 2024, none of the City's deposits or investments were exposed to custodial credit risk.

H. Concentration of Credit Risk

The City's investment policy imposes restrictions for certain types of investments with any one issuer for the following types of investments. With respect to concentration of credit risk, as of June 30, 2024, the City is in compliance with its investment policy's restrictions. In accordance with GASB Statement No. 40, the city is exposed to credit risk if it has invested more than 5% of its total investments in any one issuer. The following issuers are above 5% of the total investments: Federal Farm Credit (12.41%), Federal Home Loan Bank (7.26%), and Fannie Mae (5.28%). These government-sponsored investments are backed by the federal government and are below the City's investment policy limit of 33.33% of total investments.

I. Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that no investment can mature more than five years from the date of purchase in line with state code requirements. The only exception to these maturity limits shall be the investment of the gross proceeds of tax-exempt bonds. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

J. Fair Value Measurement and Application

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Debt securities classified in Level 2 of the fair value hierarchy use a market approach to measure fair value. The City's pricing vendor, through rules based logic, utilizes valuation techniques that reflect market participants' assumptions and vary by asset class and per methodology, and maximizes the use of relevant observable data including quoted prices for similar assets, benchmark yield curves and market corroborated inputs.

The City has the following recurring fair value measurements as of June 30, 2024:

Investment Type	Total	Uncategorized	Fair Value Level	
			1	2
Local Agency Investment Fund (LAIF)	\$ 36,029,344	\$ 36,029,344	\$ -	\$ -
US Treasury and Agency Notes	42,769,190	-	42,769,190	-
US Agencies	30,470,210	-	-	30,470,210
Medium-Term Corporate Notes	21,853,390	-	-	21,853,390
Total Investments	<u>\$ 131,122,134</u>	<u>\$ 36,029,344</u>	<u>\$ 42,769,190</u>	<u>\$ 52,323,600</u>

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2024, the City had the following investments and original maturities:

	Remaining Investment Maturities				Fair Value
	6 months or less	6 months to 1 year	1 to 3 years	More than 3 years	
<u>Pooled investments:</u>					
LAIF	\$ 36,029,344	\$ -	\$ -	\$ -	\$ 36,029,344
US Securities	1,987,860	4,815,950	25,230,170	10,735,210	42,769,190
Government Agency Securities	10,926,060	962,050	9,653,220	8,928,880	30,470,210
Medium Corporate Notes	3,968,730	-	5,567,210	12,317,450	21,853,390
Total pooled investments	<u>\$ 52,911,994</u>	<u>\$ 5,778,000</u>	<u>\$ 40,450,600</u>	<u>\$ 31,981,540</u>	<u>131,122,134</u>
<u>Restricted cash and investments:</u>					
PARS pension					3,599,985
<u>Cash and investments with fiscal agent</u>					
Money market mutual funds					
Utility undergrounding					1,209,111
Water/Wastewater, Metlox Refunding bonds					117,382
Marine certificates of participation					61,550
Police & Fire certificate of participation refunding bonds					89,367
Fire Station 2 COPs					133,003
Pension Obligation Bonds					1,021,983
					<u>6,232,381</u>
Demand deposits					3,831,319
Other deposits					37,865
Petty cash					1,376
					<u>3,870,560</u>
					<u>\$ 141,225,075</u>

NOTE 4: INTERFUND TRANSACTIONS

Advances

During fiscal year 2022-23, the Parking fund made an advance of \$900,000 to the State Pier and Parking Lot fund to assist in financing the Pier Railing Replacement Project. The advance will be repaid with parking meter revenues over an estimated four-year period or sooner if parking meter revenues exceed estimates. A payment of \$225,000 was made during the fiscal year.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 4: INTERFUND TRANSACTIONS (CONTINUED)

Interfund Transfers

With City Council approval, resources may be transferred from one fund to another. Transfers between individual funds during the fiscal year ended June 30, 2024, are presented below:

Transfers Out	Transfers in					Total
	General Fund	Major Capital Improvement Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	Internal Service Funds	
General Fund	\$ -	\$ 1,994,920	\$ 252,991	\$ 2,376,698	\$ 208,286	\$ 4,832,895
Nonmajor Governmental Funds	-	-	-	-	6,071	6,071
Water	-	-	-	-	293,074	293,074
Wastewater	-	-	-	-	317,269	317,269
Parking Fund	-	-	-	-	66,260	66,260
Nonmajor Enterprise Funds	275,434	-	-	-	120,154	395,588
Internal Service Funds	500,000	-	-	-	627	500,627
Total	\$ 775,434	\$ 1,994,920	\$ 252,991	\$ 2,376,698	\$ 1,011,741	\$ 6,411,784

The interfund transfers scheduled above resulted from a variety of City initiatives including the following:

- The General Fund transferred a total of \$1,994,920 to the Major Capital Improvement Fund to support capital projects.
- The General Fund also transferred \$252,991 to support operations in the Street Light Nonmajor Governmental Fund.
- The General Fund also transferred \$2,376,698 to the Storm Drain Fund to support operations.
- The Nonmajor County Parking Fund transferred \$275,434 to the general fund to fund operations based on an operating agreement.
- The Information Technology Internal Service Fund transferred \$500,000 to the general fund to alleviate excess fund balance. The Fleet Internal Service Fund received a total of \$1,011,741 from various funds for the purchase of vehicles.

NOTE 5: LEASES

Leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources.

A. Leases Receivable and Deferred Inflows of Resources

The City is reporting lease receivable of \$22,922,368 at June 30, 2024. For the fiscal year, the City reported lease revenue of \$1,336,510 and lease interest revenue of \$285,238. The leases have interest rate of 1.162%. The value of the deferred inflow of resources as of June 30, 2024 is \$22,380,509. The leases added in fiscal year 2023-2024 have an interest rate of 3.238%. These leases are summarized as follows:

Lease	Lease Receivable	Lease Revenue	Lease Interest Revenue
Bay Club Manhattan Beach, LLC	\$ 10,360,858	\$ 522,544	\$ 125,866
Verizon 16/Valley Lease	986,158	82,247	12,145
Manhattan Beach Hotel TRS, LLC	3,280,211	372,095	42,273
Metlox LLC	6,560,881	196,118	78,130
New Cingular Wireless PCS, LLC	1,531,303	106,116	18,598
United State Post Office	202,957	53,276	8,194
Lemonade Storage	-	4,114	32
	<u>\$ 22,922,368</u>	<u>\$ 1,336,510</u>	<u>\$ 285,238</u>

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 5: LEASES (CONTINUED)

Bay Club Manhattan Beach LLC. – In May 2017, the City entered into an amended lease with Bay Club Manhattan Beach, LLC for the property known as the Manhattan Country Club which includes an office building, a tennis complex, a parking lot and slope easement parcels. Based on the lease agreement, the City will receive monthly payment through December 2043.

Verizon 16/Valley Lease – In June 2010, the City entered into a lease agreement with SMSA Limited Partnership d/b/a Verizon Wireless for certain parcel of property for the installation and maintenance of utility wires, poles, cables, conduits and pipes for an initial term of 5 years with extensions up to four five-years terms. The City will receive monthly installments on the first day of each month.

Manhattan Beach Hotel TRS, LLC – In March 1983, the City entered into a ground lease with Manhattan Beach Hotel properties, a California general partnership for unimproved property for tenant to build and operate a hotel and golf course. The term of the lease is for fifty (50) years commencing March 1983. The City is receiving an initial annual rent of \$400,000 payable in monthly installments.

Metlox LLC – in May 2002, the City entered into a disposition & development agreement and ground lease with Metlox LLC for three building pad parcels located on top of a subterranean parking structure to be constructed as part of the project. The term of the lease is for 55 years commencing on May 2002 with the right. Rent to the City is due in monthly installments.

New Cingular Wireless PCS, LLC – In September 2018, the City entered into a structure lease agreement with New Cingular Wireless PCS, LLC for ground and rooftop space for the placement of tenant's antenna and communication equipment. The original term of the lease is for five years with four automatic five-year terms renewal. Rent is due to the city in monthly installments and will increase annually by 5% in year two of the initial agreement.

United State Post Office – in April 2018, the City leased approximately 1,900 square feet of interior space and additional space to the United States Postal Service. The lease renewed in March 2023 and was extended through 2028. The annual rent to the City is \$53,000 payable in equal installments at the end of each month.

Lemonade Storage – In February 2019, the City entered into a five-years lease agreement with Lemonade Restaurant Group LLC for storage space in the Metlox Parking Structure. The lease term asks for monthly rent payments to the City.

The principal and interest payments expected to maturity are as follows:

Fiscal Year	Governmental Activities		
	Principal Payment	Interest Payment	Total
2025	\$ 1,192,512	\$ 270,571	\$ 1,463,083
2026	1,215,791	255,640	1,471,431
2027	1,239,792	240,404	1,480,196
2028	1,250,322	224,504	1,474,826
2029	1,231,326	209,438	1,440,764
2030 - 2034	6,005,972	827,256	6,833,228
2035 - 2039	4,305,910	519,807	4,825,717
2040 - 2044	3,605,538	285,162	3,890,700
2045 - 2049	1,062,354	142,646	1,205,000
2050 - 2054	1,125,528	79,472	1,205,000
2055 - 2057	687,323	15,593	702,916
	<u>\$ 22,922,368</u>	<u>\$ 3,070,493</u>	<u>\$ 25,992,861</u>

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 5: LEASES (CONTINUED)

B. Lease Payable and Lease Assets

Governmental Activities:

The City leases certain facilities from the Manhattan Beach Unified School District and miscellaneous equipment from various companies for the City's operation. The terms of these leases expire in fiscal year 2033-34 and 2033-34. As of June 30, 2024, the value of the lease payable is \$8,718,073. In fiscal year 2023-24, the City paid \$1,735,723 on these leases including an embedded an interest rate of 1.162%.

The following is a summary of changes in lease payable for the year ended June 30, 2024:

Lease Underlying Asset	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Due in One Year
Manhattan Beach Unified School District facilities	\$ 885,946	\$ -	\$ 885,946	\$ -	\$ -
Manhattan Beach Unified School District facilities	-	9,071,298	658,511	8,412,787	707,004
Solar trash bins	32,144	-	27,506	4,638	4,638
Solar trash bins	-	332,416	90,169	242,247	94,430
Pitney Bowes postage equipment	3,554	-	3,554	-	-
AIS multifunction copiers	173,859	-	115,458	58,401	58,401
	<u>\$ 1,095,503</u>	<u>\$ 9,403,714</u>	<u>\$ 1,781,144</u>	<u>\$ 8,718,073</u>	<u>\$ 864,473</u>

Future principal and interest requirements to maturity for lease liability are as follows:

Governmental Activities		
Principal Payments	Interest Payments	Total Payments
\$ 864,473	\$ 227,379	\$ 1,091,852
855,345	205,676	1,061,021
861,499	181,941	1,043,440
867,048	159,985	1,027,033
925,598	137,381	1,062,979
4,344,110	291,850	4,635,960
<u>\$ 8,718,073</u>	<u>\$ 1,204,212</u>	<u>\$ 9,922,285</u>

Lease assets at June 30, 2024 include the following:

Lease Underlying Asset	Amount of Leased Capital Assets	Accumulated Amortization
Manhattan Beach Unified School District facilities	\$ 2,551,402	\$ 2,551,402
Manhattan Beach Unified School District facilities	9,071,298	907,130
Solar trash bins	86,211	81,674
Solar trash bins	332,416	94,976
Pitney Bowes postage equipment	10,541	10,541
AIS multifunction copiers	400,812	343,553
Total	<u>\$ 12,452,680</u>	<u>\$ 3,989,276</u>

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 6: SUBSCRIPTION BASED TECHNOLOGY ARRANGEMENTS

Subscription Liability

	Balance as of June 30, 2023	Reductions	Balance as of June 30, 2024	Due in One Year
Governmental activities	\$ 584,503	\$ 140,540	\$ 443,963	\$ 192,803
Business-type activities	25,846	12,792	13,054	13,054
Total Subscription Liability	<u>\$ 610,349</u>	<u>\$ 153,332</u>	<u>\$ 457,017</u>	<u>\$ 205,857</u>

Governmental Activities:

On July 15, 2022, the City entered into a 45 months subscription for the use of ProcureNow – Eprocurement Solution. An initial subscription liability was recorded in the amount of \$91,689. As of June 30, 2024, the value of the subscription liability is \$46,522. The City is required to make annual fixed payments of \$24,000. The subscription has an interest rate of 2.11%. The value of the right to use asset as of June 30, 2024 is \$91,689 with accumulated amortization of \$47,950. The City has two extension options, each for 12 months.

On September 21, 2022, the City entered into a 36 months subscription for the use of Clear Gov – Budget Solution. An initial subscription liability was recorded in the amount of \$70,050. As of June 30, 2023, the value of the subscription liability is \$22,343. The City is required to make annual fixed payments of \$23,040. The subscription has an interest rate of 3.12%. The value of the right to use asset as of June 30, 2024 is \$70,050 with accumulated amortization of \$41,511.

On July 1, 2022, the City entered into a 36 months subscription for the use of Medic Clipboard. An initial subscription liability was recorded in the amount of \$26,227. As of June 30, 2023, the value of the subscription liability is \$8,741. The City is required to make annual fixed payments of \$8,919. The subscription has an interest rate of 2.04%. The value of the right to use asset as of June 30, 2023 is \$26,227 with accumulated amortization of \$17,485.

On March 15, 2023, the City entered into a 55 months subscription for the use of AXON. An initial subscription liability was recorded in the amount of \$358,784. As of June 30, 2024, the value of the subscription liability is \$325,230. The City is required to make monthly fixed payments of \$8,653. The subscription has an interest rate of 2.23%. The value of the right to use asset as of June 30, 2024 is \$358,784 with accumulated amortization of \$101,329.

On July 25, 2022, the City entered into a 35 months subscription for the use of Fuel View. An initial subscription liability was recorded in the amount of \$31,252. As of June 30, 2023, the value of the subscription liability is \$7,186. The City is required to make monthly fixed payments of \$660. The subscription has an interest rate of 2.04%. The value of the right to use asset as of June 30, 2024 is \$31,252 with accumulated amortization of \$20,716.

On July 12, 2022, the City entered into a 24 months subscription for the use of Fleetio. An initial subscription liability was recorded in the amount of \$44,939. As of June 30, 2023, the value of the subscription liability is \$0. The City is required to make annual fixed payments of \$22,680. The subscription has an interest rate of 1.89%. The value of the right to use asset as of June 30, 2023 is \$44,939 with accumulated amortization of \$21,783.

On November 25, 2022, the City entered into a 36 months subscription for the use of Esri Gis Software. An initial subscription liability was recorded in the amount of \$101,855. As of June 30, 2024, the value of the subscription liability is \$33,941. The City is required to make annual fixed payments of \$35,000. The subscription has an interest rate of 3.12%. The value of the right to use asset as of June 30, 2024 is \$101,855 with accumulated amortization of \$54,323.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 6: SUBSCRIPTION BASED TECHNOLOGY ARRANGEMENTS (CONTINUED)

Business-Type Activities:

On July 1, 2022, the City entered into a 30 months subscription for the use of Hadronex. An initial subscription liability was recorded in the amount of \$38,836. As of June 30, 2024, the value of the subscription liability is \$13,054. The City is required to make annual fixed payments of \$13,320. The subscription has an interest rate of 2.04%. The value of the right to use asset as of June 30, 2023 is \$38,840 with accumulated amortization of \$31,070.

Future principal and interest requirements to maturity are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 192,804	\$ 9,249	\$ 202,053
2026	123,277	4,557	127,834
2027	102,021	1,813	103,834
2028	25,861	96	25,957
	<u>\$ 443,963</u>	<u>\$ 15,715</u>	<u>\$ 459,678</u>

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2025	<u>\$ 13,054</u>	<u>\$ 266</u>	<u>\$ 13,320</u>

The amount of subscription assets at June 30, 2024 was as follows:

Asset Class	As of Fiscal Year-End	
	Subscription Asset Value	Accumulated Amortization
Governmental activities		
Software subscription	\$ 724,796	\$ 327,567
Business-type activities		
Software subscription	38,840	31,070
Total subscriptions	<u>\$ 763,636</u>	<u>\$ 358,637</u>

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 7: CAPITAL ASSETS AND DEPRECIATION

In accordance with GASB Statement No. 34, the City has reported all capital assets including infrastructure in the Government-Wide Statement of Net Position. The City elected to use the basic approach as defined by GASB Statement No. 34 for all infrastructure reporting, whereby depreciation and amortization expense and accumulated depreciation and amortization have been recorded. The following table presents the capital assets activity for the year ended June 30, 2024:

	Balance July 1, 2023	Adjustments *	Additions	Deletions	Transfers	Balance June 30, 2024
Governmental activities:						
Capital assets, not being depreciated/amortized						
Land	\$ 33,634,565	\$ -	\$ -	\$ -	\$ -	\$ 33,634,565
Construction-in-progress	17,820,518	694,518	8,016,200	-	(417,054)	26,114,182
Total capital assets, not being depreciated/amortized	51,455,083	694,518	8,016,200	-	(417,054)	59,748,747
Capital assets, being depreciated/amortized						
Buildings and structures	44,106,833	-	-	-	-	44,106,833
Machinery and equipment	6,042,053	-	82,801	(29,018)	169,262	6,265,098
Intangible assets	1,060,072	-	-	-	-	1,060,072
Vehicles	12,976,182	-	2,790,570	(394,508)	232,492	15,604,736
Infrastructure						
Streets/ Roadways	71,813,129	-	4,150,937	-	-	75,964,066
Parks & Recreation	22,688,011	-	-	-	15,300	22,703,311
Lease assets						
Building and structure	2,551,402	-	9,071,298	(2,551,402)	-	9,071,298
Machinery and equipment	497,564	-	332,416	-	-	829,980
Subscriptions	724,796	-	-	-	-	724,796
Investment in RCC Joint Venture	3,703,419	-	1,067	-	-	3,704,486
Total capital assets, being depreciated/amortized	166,163,461	-	16,429,089	(2,974,928)	417,054	180,034,676
Less accumulated depreciation/amortization						
Buildings and structures	(16,378,826)	-	(854,617)	-	-	(17,233,443)
Machinery and equipment	(5,040,873)	-	(336,088)	29,018	-	(5,347,943)
Intangible asset	(250,386)	-	(89,966)	-	-	(340,352)
Vehicles	(9,088,557)	-	(934,819)	275,737	-	(9,747,639)
Infrastructure						
Streets/ Roadways	(39,608,166)	-	(1,843,853)	-	-	(41,452,019)
Parks & Recreation	(8,615,522)	-	(404,883)	-	-	(9,020,405)
Lease assets						
Building and structure	(1,700,934)	-	(1,757,598)	2,551,402	-	(907,130)
Machinery and equipment	(290,512)	-	(240,232)	-	-	(530,744)
Subscriptions	(125,606)	-	(201,961)	-	-	(327,567)
Investment in RCC Joint Venture	(1,884,643)	-	(168,452)	-	-	(2,053,095)
Total accumulated depreciation/amortization	(82,984,025)	-	(6,832,469)	2,856,157	-	(86,960,337)
Total capital assets, being depreciated/amortized, net	83,179,436	-	9,596,620	(118,771)	417,054	93,074,339
Total governmental activities capital assets	\$ 134,634,519	\$ 694,518	\$ 17,612,820	\$ (118,771)	\$ -	\$ 152,823,086

* Adjustments were to property capitalized prior year ERP implementation costs.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 7: CAPITAL ASSETS AND DEPRECIATION (CONTINUED)

Depreciation expense was charged to functions of the primary government as follows:

General government	\$ 345,534
Public safety	1,816,718
Public works	700,010
Parks and recreation	2,909,965
Internal service funds	1,060,242
Total depreciation/amortization expense	<u>\$ 6,832,469</u>

	Balance July 1, 2023	Adjustments *	Additions	Deletions	Transfers	Balance June 30, 2024
Business-type activities:						
Capital assets, not being depreciated/amortized						
Land - Water	\$ 307,967	\$ -	\$ -	\$ -	\$ -	\$ 307,967
Land - Storm Drain	857,650	-	-	-	-	857,650
Land - Parking	1,441,817	-	-	-	-	1,441,817
Construction-in-progress	48,424,124	2,173,042	4,401,856	(170,816)	-	54,828,206
Total capital assets, not being depreciated/amortized	<u>51,031,558</u>	<u>2,173,042</u>	<u>4,401,856</u>	<u>(170,816)</u>	<u>-</u>	<u>57,435,640</u>
Capital assets, being depreciated/amortized						
Buildings and structures - Parking	18,086,181	-	-	-	-	16,689,471
Machinery and equipment						
Parking	3,314,879	-	-	-	-	4,711,589
Water	34,369,244	-	134,607	-	-	34,503,851
Storm Drain	7,703,405	-	-	-	-	7,703,405
Wastewater	16,304,359	-	126,661	-	-	16,431,020
Intangible assets						
Parking	28,507	-	-	-	-	28,507
Water	62,177	-	-	-	-	62,177
Wastewater	33,302	-	-	-	-	33,302
Subscriptions	38,840	-	-	-	-	38,840
Total capital assets, being depreciated/amortized	<u>79,940,894</u>	<u>-</u>	<u>261,268</u>	<u>-</u>	<u>-</u>	<u>80,202,162</u>
Less accumulated depreciation/amortization						
Buildings and structures - Parking	(3,007,457)	-	(118,289)	-	-	(3,125,746)
Machinery and equipment						
Parking	(1,829,563)	-	(208,473)	-	-	(2,038,036)
Water	(16,508,825)	-	(617,017)	-	-	(17,125,842)
Storm Drain	(5,060,114)	-	(119,814)	-	-	(5,179,928)
Wastewater	(8,208,167)	-	(309,055)	-	-	(8,517,222)
Intangible assets						
Parking	(5,702)	-	(2,533)	-	-	(8,235)
Water	(12,249)	-	(5,547)	-	-	(17,796)
Wastewater	(6,660)	-	(2,960)	-	-	(9,620)
Subscriptions	(15,451)	-	(15,535)	(84)	-	(31,070)
Total accumulated depreciation/amortization	<u>(34,654,188)</u>	<u>-</u>	<u>(1,399,223)</u>	<u>(84)</u>	<u>-</u>	<u>(36,053,495)</u>
Total capital assets, being depreciated/amortized, net	<u>45,286,706</u>	<u>-</u>	<u>(1,137,955)</u>	<u>(84)</u>	<u>-</u>	<u>44,148,667</u>
Total business-type activities capital assets	<u>\$ 96,318,264</u>	<u>\$ 2,173,042</u>	<u>\$ 3,263,901</u>	<u>\$ (170,900)</u>	<u>\$ -</u>	<u>\$ 101,584,307</u>

* Adjustments were to property capitalized prior year ERP implementation costs.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 7: CAPITAL ASSETS AND DEPRECIATION (CONTINUED)

Depreciation expense was charged to functions of the primary government as follows:

Water	\$ 622,564
Wastewater	119,814
Parking	329,295
Stormwater	327,550
Total depreciation/amortization expense	<u>\$ 1,399,223</u>

NOTE 8: LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Due in One Year
Governmental Activities:					
Leases payable (Note 5)	\$ 1,095,503	\$ 9,403,714	\$ 1,781,144	\$ 8,718,073	\$ 864,473
Subscription payable (Note 6)	584,503	-	140,540	443,963	192,803
Compensated absences (Note 9)	4,422,604	8,940,822	8,169,620	5,193,806	1,066,469
Claims liability (Note 15)	18,126,985	7,830,691	6,239,868	19,717,808	12,143,308
Certificates of participation:					
Marine Ave Park Refunding COP Series 2016	4,075,000	-	345,000	3,730,000	360,000
2013 Police and Fire Refunding COP	5,530,000	-	575,000	4,955,000	600,000
2021 Fire Station No. 2 COP	7,210,000	-	135,000	7,075,000	140,000
2021 Pension Obligation Bonds	82,910,000	-	3,393,370	79,516,630	3,422,710
Total Governmental	<u>\$ 123,954,595</u>	<u>\$ 26,175,227</u>	<u>\$ 20,779,542</u>	129,350,280	<u>\$ 18,789,763</u>
Unamortized premium				1,563,813	
				<u>\$ 130,914,093</u>	
Business-Type Activities:					
Subscription payable (Note 6)	\$ 25,846	\$ -	\$ 12,793	\$ 13,053	\$ 13,053
Compensated absences (Note 9)	220,104	245,450	295,894	169,660	30,610
Certificates of Participation					
2021 Refunding COPs	5,335,000	-	640,000	4,695,000	670,000
2021 Pension Obligation Bonds	1,750,000	-	71,630	1,678,370	72,287
Total Business Type	<u>\$ 7,330,950</u>	<u>\$ 245,450</u>	<u>\$ 1,020,317</u>	6,556,083	<u>\$ 785,950</u>
Unamortized premium				911,287	
				<u>\$ 7,467,370</u>	

A. Marine Avenue Certificates of Participation Series 2016

On November 9, 2016, the City issued \$5,905,000 Certificate of Participation Series 2016 (Marine Field Refunding) to refund the outstanding balance of the Variable Rate Demand Refunding Certificates of Participation Series 2002. The Certificates represents the proportionate interest on the lease payments to be made by the City as rent for the use of certain real property located in the City and consisting of the police department and fire department headquarter facility. The Certificates bear interest at a rate of 3% to 4% with principal ranging from \$265,000 to \$465,000 and maturing on January 2033. The balance at June 30, 2024, includes an unamortized bond premium of \$232,180 which will be amortized over the life of the issue.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 8: LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity for the Marine Avenue Certificates of Participation Series 2016 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 360,000	\$ 123,100	\$ 483,100
2026	370,000	108,700	478,700
2027	390,000	93,900	483,900
2028	405,000	78,300	483,300
2029	415,000	66,150	481,150
2030-2033	1,790,000	136,050	1,926,050
Total	<u>\$ 3,730,000</u>	<u>\$ 606,200</u>	<u>\$ 4,336,200</u>

In the event of a default, there is no remedy of acceleration of the total lease payments due over the term of the lease agreement and the trustee is not empowered to sell the leased premises and use the proceeds of such a sale to redeem the 2016 certificates or pay debt service thereon. The city will be liable only for lease payments on an annual basis, and the trustee will be required to seek a separate judgment each year for the year's defaulted lease payments.

B. 2013 Police and Fire Facility Refunding Certificates of Participation

In February 2013, the City issued \$10,510,000 of Certificates of Participation, Series 2013, to advance refund the 2004 Police and Fire Certificates of Participation (2004 COP). The payments under the lease agreement are due January and July of each year until maturity in January 2032 and include interest rates ranging from 2% to 4%. The proceeds were used to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The balance at June 30, 2023, includes an unamortized bond premium of \$197,702 which will be amortized over the life of the issue.

The reacquisition price exceeded the net carrying amount of the old debt by \$595,473. This amount is being deferred as an outflow of resources and amortized over the remaining life of the refunded debt. The outstanding balance at June 30, 2024 is \$241,407.

Annual debts service requirements to maturity for the 2013 Police and Fire Certificates of Participation are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 600,000	\$ 175,463	\$ 775,463
2026	620,000	151,463	771,463
2027	650,000	126,663	776,663
2028	675,000	100,663	775,663
2029	695,000	79,569	774,569
2030-2032	1,715,000	99,000	1,814,000
Total	<u>\$ 4,955,000</u>	<u>\$ 732,821</u>	<u>\$ 5,687,821</u>

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 8: LONG-TERM DEBT (CONTINUED)

In the event of a default, there is no remedy of acceleration of the total lease payments due over the term of the lease agreement and the trustee is not empowered to sell the leased premises and use the proceeds of such a sale to redeem the 2013 certificates or pay debt service thereon. The city will be liable only for lease payments on an annual basis, and the trustee will be required to seek a separate judgment each year for the year's defaulted lease payments.

C. 2022 Fire Station COP

In August 2022, the City of Manhattan Beach issued \$7,440,000 of Certificates of Participation (COP) to pay a portion of the costs to constructing and equipping a fire station and related improvements and pay certain costs of issuance. The payments under the lease agreement are due January and July of each year until maturity in January 2051 and include interest rates ranging from 3% to 5%. The COP includes an unamortized premium of \$1,133,932 at June 30, 2024, which will be amortized over the life of the issue.

Annual debt service requirements to maturity for the 2022 Fire Station Certificates of Participation are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 140,000	\$ 262,500	\$ 402,500
2026	145,000	255,375	400,375
2027	155,000	247,875	402,875
2028	165,000	239,875	404,875
2029	170,000	231,500	401,500
2030-2034	1,000,000	1,016,250	2,016,250
2035-2039	1,250,000	765,250	2,015,250
2040-2044	1,510,000	502,925	2,012,925
2045-2049	1,760,000	252,450	2,012,450
2050-2051	780,000	23,550	803,550
Total	<u>\$ 7,075,000</u>	<u>\$ 3,797,550</u>	<u>\$ 10,872,550</u>

In the event of default, there is no remedy of acceleration of the total lease payments due over the term of the lease agreement and the Trustee is not empowered to sell the leased premises and use the proceeds of such a sale to redeem the 2022 Certificates or pay debt service. The City will be liable for the Lease payment on an annual basis and the Trustee would be required to seek a separate judgement each year for the year's defaulted lease payments.

D. 2021 Refunding Certificates of Participation

In November 2021, the City of Manhattan Beach issued \$5,925,000 of fixed rate Refunding Certificates of Participation Series 2021 to refund the Certificates of Participation (Metlox and Water/Wastewater Refunding) Series 2012 ("the Certificates"). The payments under the lease agreement are due January and July of each year with an interest rate of 5% and mature through 2032. The COP includes an unamortized premium of \$911,285 at June 30, 2024, which will be amortized over the life of the issue.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 8: LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity for the Metlox and Water/Wastewater Refunding Certificates of Participation are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 670,000	\$ 234,750	\$ 904,750
2026	705,000	201,250	906,250
2027	490,000	166,000	656,000
2028	515,000	141,500	656,500
2029	540,000	115,750	655,750
2030-2032	1,775,000	180,500	1,955,500
Total	<u>\$ 4,695,000</u>	<u>\$ 1,039,750</u>	<u>\$ 5,734,750</u>

In the event of default, there is no remedy of acceleration of the total lease payments due over the term of the lease agreement and the Trustee is not empowered to sell the leased premises and use the proceeds of such a sale to redeem the 2021 Certificates or pay debt service. The City will be liable for the Lease payment on an annual basis and the Trustee would be required to seek a separate judgement each year for the year's defaulted lease payments.

E. 2022 Taxable Pension Obligation Bonds

In May 2022, the City of Manhattan Beach issued \$91,275,000 of Taxable Pension Obligation Bonds (POB). The bonds were issued to pay the City's unfunded accrued actuarial liability to the California Public Employees Retirement System with respect to the City's defined benefit retirement plans for City employees. The payments under the agreement are due January and July of each year with interest rates ranging from 0.12% to 2.79% and mature through January 2043.

Annual debt service requirements to maturity for the 2022 Taxable Pension Obligation Bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 3,495,000	\$ 2,043,872	\$ 5,538,872
2026	3,530,000	2,009,411	5,539,411
2027	3,580,000	1,967,546	5,547,546
2028	3,635,000	1,911,375	5,546,375
2029	3,710,000	1,845,255	5,555,255
2030-2034	19,840,000	7,980,172	27,820,172
2035-2039	22,650,000	5,262,789	27,912,789
2040-2043	20,755,000	1,636,338	22,391,338
Total	<u>\$ 81,195,000</u>	<u>\$ 24,656,758</u>	<u>\$ 105,851,758</u>

The bonds are not secured by any property other than the funds that the City has actually deposited with the trustee. If the City is in bankruptcy, it may not be obligated to make any further deposits with the Trustee, it may not be obligated to make any further allocations to the Bonds, and it may not be obligated to turn over to the Trustee any moneys that have been allocated to the Bonds in the City treasury. As a result, the Bonds would likely be treated as unsecured obligations of the City in the bankruptcy case.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 9: COMPENSATED ABSENCES

At June 30, 2024, the total citywide accrued liability for compensated absences amounted to \$5,363,466. \$5,193,806 relates to general government services and \$169,660 to business-type activities. The governmental activities liability is generally liquidated by the General Fund and the business-type activities liabilities are liquidated by the corresponding proprietary funds.

NOTE 10: NON-CITY OBLIGATION

Reported in the custodial fund are special assessment tax bonds related to various special assessment districts included within the City. In March 2018, the City refunded the outstanding bonds for Underground Assessment Districts 04-1, 04-3, 04-5, 05-2 and 05-6. These bonds were issued for the purpose of financing the construction of certain public improvements within the underground utility assessment districts. The amount refunded was \$6,245,000. The sources of the refunding were bond proceeds of \$4,995,000, balance in the capital improvement fund, current year assessments, and net reduction in bond reserve requirements. In December 2019, the City issued two separate limited obligation improvement bonds totaling \$9,390,000 under provisions of the Improvement Bond Act of 1915, for Underground Assessment Districts 19-12 and 19-14 and in March 2020, the City issued \$5,245,000 for Underground District 19-4. These bonds were issued for the purpose of financing the construction of certain public improvements within the underground utility assessment districts. The bonds are secured solely by the subject properties and the amounts held in respective reserve and bond funds. The bonds are not secured by the general taxing power of the City of Manhattan Beach and the City has not pledged credit for payment thereof. The debt outstanding as June 30, 2024, consists of the following:

Description	Original Amount	Outstanding 6/30/2024
Reassessment District No. 2018 Limited Obligation Refunding Bonds, Series 2018	\$ 4,995,000	\$ 1,630,000
Assessment District No. 19-12 Limited Obligation Improvement Bonds, 2019 Series A	4,605,000	3,920,000
Assessment District No. 19-14 Limited Obligation Improvement Bonds 2019, Series A	4,785,000	4,140,000
Assessment District No. 19-4 Limited Obligation Improvement Bonds, 2020 Series A	5,245,000	4,435,000
Total		<u>\$ 14,125,000</u>

NOTE 11: CALPERS RETIREMENT PLANS

	Net Pension Liability/(Asset)	Deferred Pension Outflows	Deferred Pension Inflows	Pension Expense/(Income)
CalPERS Plans				
Miscellaneous Plan	\$ 10,793,468	\$ 12,731,230	\$ (569,398)	\$ 3,354,401
Safety - Police Plan	8,684,519	21,097,346	(13,883,409)	9,444,115
Safety - Fire Plan	4,663,874	10,333,242	(6,258,213)	4,381,373
Total CalPERS	<u>24,141,861</u>	<u>44,161,818</u>	<u>(20,711,020)</u>	<u>17,179,889</u>
City Plans				
Supplemental Retirement Plan	47,832	-	-	9,508
Single Highest Year Plan	97,984	-	-	19,476
Total City Plans	<u>145,816</u>	<u>-</u>	<u>-</u>	<u>28,984</u>
Total	<u>\$ 24,287,677</u>	<u>\$ 44,161,818</u>	<u>\$ (20,711,020)</u>	<u>\$ 17,208,873</u>

NOTE 11: CALPERS RETIREMENT PLANS (CONTINUED)

A. Miscellaneous Employee Pension Plan

Plan Description

The Miscellaneous Plan of the City of Manhattan Beach is an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in their respective June 30, 2022 Annual Actuarial Valuation Reports. Details of the benefits provided can be obtained in Appendix B of the actuarial valuation reports. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Benefit Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The plan provisions and benefits in effect at June 30, 2023 measurement date, are summarized as follows:

	Miscellaneous Plan	
	Tier I *	PEPRA
Hire date	Prior to or on December 31, 2012	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 52 yrs
Monthly benefits, as a % of eligible compensation	1.426% - 2.418% 50 yrs - 63+ yrs, respectively	1.000% - 2.500%, 52 yrs - 67+ yrs, respectively
Required employee contribution rates	7.000%	7.750%
Required employer contribution rates (1)	9.950%	9.950%

* Closed to new entrants

(1) Blended rate.

Benefit payments are calculated using the benefit formula above multiplied by the number of years of service and highest single year of compensation for Tier 1 or highest three year average of compensation for PEPRA.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 11: CALPERS RETIREMENT PLANS (CONTINUED)

At June 30, 2024, the following employees were covered by the benefit terms of the plan:

Description	Number of Participants	
	Miscellaneous Plan	
	Classic	PEPRA
Active members	87	203
Transferred members	96	44
Terminated members	119	114
Retired members and beneficiaries	280	10
Total	582	371

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the year ended June 30, 2024, the employer contributions recognized as a reduction to net pension liability for the Miscellaneous Plan was \$1,976,642.

Net Pension Liability/(Asset)

The City's net pension liability/(asset) is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability/(asset) of the Miscellaneous Plans is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022. A summary of principal assumptions and methods used to determine the net pension liability/(asset) is shown below.

NOTE 11: CALPERS RETIREMENT PLANS (CONTINUED)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability/(Asset)

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

¹ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class (1)	Assumed Asset Allocation	Real Return Years 1 - 10 (1, 2)
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021 Asset Liability Management study.

NOTE 11: CALPERS RETIREMENT PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability/(Asset)

The following table shows the changes in net pension liability/(asset) recognized over the measurement period.

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2022 (Valuation Date)	\$ 137,374,490	\$ 129,607,944	\$ 7,766,546
Changes Recognized for the Measurement Period:			
Service Cost	3,134,299	-	3,134,299
Interest on the Total Pension Liability	9,482,836	-	9,482,836
Changes of Benefit Terms	186,466	-	186,466
Difference between Expected and Actual Experience	1,524,258	-	1,524,258
Contribution from the Employer	-	1,976,642	(1,976,642)
Contributions from Employees	-	1,542,323	(1,542,323)
Net Investment Income	-	7,877,280	(7,877,280)
Benefit Payments including Refunds of Employee Contributions	(6,439,916)	(6,439,916)	-
Administrative Expense	-	(95,308)	95,308
Net Changes During 2022-23	7,887,943	4,861,021	3,026,922
Balance at: 6/30/2023 (Measurement Date)	\$ 145,262,433	\$ 134,468,965	\$ 10,793,468

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
Plan's Net Pension Liability/(Assets)	\$ 30,803,468	\$ 10,793,468	\$ (5,602,995)

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 11: CALPERS RETIREMENT PLANS (CONTINUED)

addition, differences may result from early Annual Comprehensive Financial Report closing and final reconciled reserves. Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2022), the net pension liability was \$7,766,546. For the measurement period ending June 30, 2023 (the measurement date), the City incurred a pension expense/(income) of \$3,354,401 for the Plan.

As of June 30, 2024, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Miscellaneous Pension Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
City pension contributions subsequent to measurement date	\$ 2,214,398	\$ -
CalPERS deferrals		
Changes of Assumptions	1,801,537	-
Differences Between Expected and Actual Experience	1,062,362	(569,398)
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	7,652,933	-
Total CalPERS deferrals	10,516,832	(569,398)
Total	\$ 12,731,230	\$ (569,398)

\$2,214,398 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period ended June 30:	Net Deferred Outflows/(Inflows) of Resources
2024	\$ 3,173,331
2025	2,152,339
2026	4,431,514
2027	190,250
	<u>\$ 9,947,434</u>

NOTE 11: CALPERS RETIREMENT PLANS (CONTINUED)

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss:

Net Difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The EARSL for the Plan for the measurement period ending June 30, 2023 is 3.3 years, which was obtained by dividing the total service years of 2,879 (the sum of remaining service lifetimes of the active employees) by 863 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

B. Safety Police Pension Plan and Safety Fire Pension Plan

Plan Description

All qualified permanent and probationary safety employees are eligible to participate in the Safety Risk Pool Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of a safety risk pool, which are comprised of individual employer safety rate plans, respectively. Individual employers may sponsor more than one safety rate plan. Each individual employer rate plan generally has less than 100 active members.

Benefits Provided

The Plan was established to provide retirement, death and disability benefits to public agency rate plans with generally less than 100 active members. The benefit provisions for PERF C employees are established by statute. A full description regarding the number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information for the respective rate plan is listed in the respective rate plan's June 30, 2019 Annual Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the funding evaluation report. This report and CalPERS' audited financial statements are publicly available reports that can be found on CalPERS' website at <https://www.calpers.ca.gov/page/forms-publications>.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 11: CALPERS RETIREMENT PLANS (CONTINUED)

Below is a summary of the plan provisions and benefits in effect at June 30, 2023 measurement date, for which the City of Manhattan Beach has contracted:

	Safety Police Plan		Safety Fire Plan	
	Tier I *	PEPRA	Tier I *	PEPRA
Hire date	Prior to or on December 31, 2012	On or after January 1, 2013	Prior to or on December 31, 2012	On or after January 1, 2013
Benefit formula	3.0% @ 50	2.7% @ 57	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 50 yrs	minimum 50 yrs
Monthly benefits, as a % of eligible compensation	3.000%, 50+ yrs	2.700%, 50 yrs - 57+ yrs,	3.000%, 50 yrs - 55+ yrs,	2.700%, 50 yrs - 57+ yrs,
Required employee contribution rates	9.000% (1)	14.500%	9.000% (1)	14.500%
Required employer contribution rates	29.09% (3)	14.500%	26.11% (2)	14.500%
Management safety				
Employee	9.000%	14.500%	9.000%	14.500%
Employer	29.090%	14.500%	26.110%	14.500%

* Closed to new entrants

(1) Not including 3% cost share, which would increase rate to 12%.

(2) Not including cost share, which will lower rate to 23.110%.

(3) Not including cost share, which will lower rate to 26.090%.

Benefit payments are calculated using the benefit formula above multiplied by the number of years of service and highest single year of compensation for Tier 1 or highest three year average of compensation for PEPRA.

Employees Covered

At June 30, 2023 measurement date, the following employees were covered by the benefit terms of the Plan:

Description	Number of members			
	Safety Police Plan		Safety Fire Plan	
	Classic	PEPRA	Classic	PEPRA
Active members	44	16	26	1
Transferred members	11	2	2	1
Terminated members	8	4	3	-
Retired members and beneficiaries	127	-	53	-
Total	190	22	84	2

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 11: CALPERS RETIREMENT PLANS (CONTINUED)

For the year ended June 30, 2024, the employer contributions recognized as a reduction to the net pension liability was \$1,967,512 for the Safety Police Plan and \$1,117,524 for the Safety Fire Plan for a total of \$3,085,036 for the safety plans.

Pension Liabilities/Assets, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

The City of Manhattan Beach reported net a pension liability at June 30, 2024, of \$8,684,519 and \$4,663,874 for its proportionate shares of the Safety Police Plan and the Safety Fire Plan respectively.

The City's net pension liability/(asset) for the safety plan is measured as the proportionate share of the net pension liability/asset. The net pension liability/(asset) of the Plan is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of June 30, 2022. The City's proportion of the net pension liability/(asset) was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability/(asset) for the safety plan as of June 30, 2022 and 2023, was as follows:

	<u>Safety Fire Plan</u>	<u>Safety Police Plan</u>
Proportion - June 30, 2022	-0.063669%	-0.144460%
Proportion - June 30, 2023	0.030311%	0.086170%
Changes - Increase (Decrease)	0.093980%	0.230630%

For the year ended June 30, 2023, the City recognized pension expense/(income) of \$9,444,115 and \$4,381,373 for the Safety Police Plan and the Safety Fire Plan respectively. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Safety - Police</u>		<u>Safety - Fire</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
City pension contribution subsequent to measurement date	\$ 2,148,112	\$ -	\$ 1,261,924	\$ -
CalPERS Deferrals:				
Difference between expected and actual experience	637,604	(52,423)	342,414	(29,314)
Change in Assumptions	506,840	-	272,190	-
Net difference between projected and actual earnings on pension plan investments	1,188,474	-	638,250	-
Adjustment due to difference in proportions	9,525,395	(5,810,359)	4,547,579	(2,573,240)
Difference in proportionate share	7,090,921	(8,020,627)	3,270,885	(3,655,659)
Total CalPERS Deferrals	18,949,234	(13,883,409)	9,071,318	(6,258,213)
Total	\$ 21,097,346	\$ (13,883,409)	\$ 10,333,242	\$ (6,258,213)

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 11: CALPERS RETIREMENT PLANS (CONTINUED)

\$2,148,112 and \$1,261,924 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30,	Net Deferred Outflows/ (inflows of Resources)	
	Safety Police Plan	Safety Fire Plan
2024	\$ 3,519,197	\$ 1,872,474
2025	1,277,815	684,203
2026	233,478	238,612
2027	35,335	17,816
Total	<u>\$ 5,065,825</u>	<u>\$ 2,813,105</u>

Actuarial Methods and Assumptions

The collective total pension liability for the June 30, 2023 measurement period was determined by an actuarial valuation as of June 30, 2022. The collective total pension liability was based on the following assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.3% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 11: CALPERS RETIREMENT PLANS (CONTINUED)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class (1)	Assumed Asset Allocation	Real Return Years 1 - 10 (1, 2)
Global Equiry - Cap-weighted	30.00%	4.54%
Global Equiry - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability/(asset) of the Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.90 percent) or 1% point higher (7.90 percent) than the current rate:

PERS Cost Sharing Plans	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
Safety police	\$ 31,970,639	\$ 8,684,519	\$ (10,353,541)
Safety Fire	15,655,609	4,663,874	(4,322,651)

NOTE 11: CALPERS RETIREMENT PLANS (CONTINUED)

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

NOTE 12: CITY RETIREMENT PLANS

	Total Pension Liability	Pension Expense/(Income)
Supplemental Retirement Plan	\$ 47,832	\$ 9,508
Single Highest Year Plan	97,984	19,476
Total	<u>\$ 145,816</u>	<u>\$ 28,984</u>

A. Supplemental Retirement Plan

General Information about the Pension Plan

Plan Description

The Supplemental Retirement Plan is a single employer defined benefit pension plan that covers Police, Fire and Management/Confidential employees who retired prior to January 1995. This plan is currently dormant and does not issue a separate annual financial report.

Benefits Provided

The plan provides the employee the difference between the benefit provided by the California Public Employees Retirement System (PERS) calculated under the life annuity option and the PERS benefit had the City adopted the Police Officers' Standards and Training (POST) widows and orphans salary continuation plan. The plan states, "The City shall pay each retiring officer, sergeant, lieutenant, firefighter and management employee upon retirement, a monthly amount which would make up the difference for that option of which the officer will receive from PERS under Government Code Section 21330 through 21335 and what only the officer would have received while alive had the City adopted the Police Officers' Standards and Training (POST) widows and orphans salary continuation plan. The payment shall be made to the officer only while the officer is alive and will cease upon death. Upon retirement, the right to their payment shall be regarded as a vested pension benefit to the same extent as the individual's retirement allowance." The benefit is payable for the life of the employee. The benefit is subject to a 2% annual cost-of-living increase. This plan is currently dormant.

Employees Covered

Employees covered includes sworn law enforcement officers, fire and management/confidential employees who retired prior to January 1995. Therefore, the plan is dormant. The number of participants covered under the plan as of June 30, 2024, was as follows:

Retirees and beneficiaries receiving benefits	
Miscellaneous	<u>3</u>

Total Pension Liability

The total pension liability of \$47,832 for the plan is measured as of June 30, 2024 using an annual actuarial valuation dated June 30, 2024. The City is funding the plan on a pay as you go basis.

NOTE 12: CITY RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions

A summary of principal assumptions and methods used to determine the pension liability is shown below.

Valuation Date	June 30, 2024
Measurement date	June 30, 2024
Actuarial cost method	Entry age
Pre-retirement mortality rates	2021 CalPERS Retiree Mortality for Miscellaneous Employees
Asset valuation method	Fair Market Value
Inflation Rate	2.50% per year
Discount rate	3.93 % based on the Bond Buyer 20 Bond Index

The City incurred the accrued liabilities of active participants under the City's PERS plan as of January 1995. The City's remaining obligation is to fund the benefits for those participants who were then and are currently retired.

Change of Assumptions

In 2024, the accounting discount rate increased from 3.65 percent to 3.93 percent.

Discount Rate

The discount rate used to measure the total pension liability was based on the Bond Buyer 20 Bond Index.

Change in Total Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Assets)
	(a)	(b)	(c)=(a)-(b)
Balance at: 6/30/2023	\$ 48,931	\$ -	\$ 48,931
Changes Recognized for the Measurement Period:			
Interest on the Total Pension Liability	1,617	-	1,617
Employer Contributions	-	13,898	(13,898)
Benefit Payments	(13,898)	(13,898)	-
Experience (Gains)/Losses	8,244	-	8,244
Changes of Assumptions	(353)	-	(353)
Other	3,291	-	3,291
Net Changes During 2023-24	(1,099)	-	(1,099)
Balance at: 6/30/2024	\$ 47,832	\$ -	\$ 47,832

Sensitivity of the Total Pension Liability to Change in the Discount Rate

The following presents the total pension liability of the Plan, calculated using the discount rate of 3.93%, as well as what the Employer's total pension liability would be if it were calculated using a discount rate that is 1% lower (2.93%) or 1% higher (4.93%) than the current rate:

	1% Lower (2.93%)	Current Discount Rate (3.93%)	1% Higher (4.93%)
Total pension liability	\$ 49,121	\$ 47,832	\$ 46,623

NOTE 12: CITY RETIREMENT PLANS (CONTINUED)

Pension Expense

Pension expense/(income) for fiscal year 2023-24 of \$12,799 is equal to cash payments of \$13,898 less reduction in total pension liability of \$1,099.

B. Single Highest Year Plan

General Information about the Pension Plan

Plan Description

The Single Highest Year Plan is a single employer defined benefit pension plan of the City. This plan was adopted effective January 1, 1990, covering Management/Confidential Employees and Non-management/Confidential Sworn Police Employees on July 1, 1990, and is for employees who retired prior to May 1993. The plan is known as the City Funded Single Highest Year Plan. This plan is currently dormant and does not issue a separate annual financial report.

Benefits Provided

The plan pays a retiring employee the difference between the pension payable from PERS and what the PERS pension would be if it were based on the single highest year only. "The payment shall be made to the member only while the member is alive and will cease upon death." Upon retirement, the right to their payment shall be regarded as a vested pension benefit to the same extent as the individual's PERS retirement. Benefits vest after five years of service. Retirees must qualify for PERS retirement to qualify for the Single Highest Year Plan. The benefit is payable for the life of the employee and is subject to a 2% annual cost of living increase.

Employees Covered

Employees covered include sworn law enforcement officers, fire, management or confidential and miscellaneous employees who retired prior to May 1993. Therefore, the plan is dormant. The number of participants covered under the plan as of June 30, 2024, was as follows:

Retirees receiving benefits	
Miscellaneous	1
Safety	3
	<hr/>
Total	4
	<hr/>

Total Pension Liability

The total pension liability of \$97,984 for the plan is measured as of June 30, 2024 using an annual actuarial valuation dated June 30, 2024. The City is funding the plan on a pay as you go basis.

Actuarial Assumptions

A summary of principal assumptions and methods used to determine the pension liability is shown below.

Valuation Date	June 30, 2024
Measurement date	June 30, 2024
Actuarial cost method:	Entry age
Pre-retirement mortality rates	2021 CalPERS Retiree Mortality for Miscellaneous Employees
Asset valuation method	Fair Market Value
Inflation Rate	2.50% per year
Discount rate	3.93 % based on the Bond Buyer 20 Bond Index

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 12: CITY RETIREMENT PLANS (CONTINUED)

The City incurred the accrued liabilities of active participants under the City's PERS plan as of May 1993. The City's remaining obligation is to fund the benefits for those participants who were then and are currently retired.

Change of Assumptions

In 2024, the accounting discount rate increased from 3.65 percent to 3.93 percent.

Discount Rate

The discount rate used to measure the total pension liability was based on the Bond Buyer 20 Bond Index.

Change in Total Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: June 30, 2023	\$ 103,289	\$ -	\$ 103,289
Changes Recognized for the Measurement Period:			
Interest on the Total Pension Liability	3,311	-	3,311
Employer Contributions	-	21,490	(21,490)
Benefit Payments	(21,490)	(21,490)	-
Experience (Gains)/Losses	16,887	-	16,887
Changes of Assumptions	(722)	-	(722)
Other	(3,291)	-	(3,291)
Net Changes During 2023-24	(5,305)	-	(5,305)
Balance at: June 30, 2024	\$ 97,984	\$ -	\$ 97,984

Sensitivity of the Total Pension Liability to Change in the Discount Rate

The following presents the total pension liability of the Plan, calculated using the discount rate of 3.65%, as well as what the Employer's total pension liability would be if it were calculated using a discount rate that is 1% lower (2.65%) or 1% higher (4.65%) than the current rate:

	1% Lower (2.93%)	Current Discount Rate (3.93%)	1% Higher (4.93%)
Total pension liability	\$ 100,624	\$ 97,984	\$ 95,507

Pension Expense

Pension expense/(income) for fiscal year 2023-24 of 16,185 is equal to cash payment of \$21,490 less reduction in total pension liability of \$5,305.

C. Payable to the Pension Plan

For the Supplemental Retirement Plan and the Single Highest Year Pan, the City's remaining obligation is to fund the benefits for those participants who are currently retired. The City has assigned \$57,289 of the General Fund's fund balance to pay future benefits.

NOTE 13: POST-EMPLOYMENT BENEFITS PLAN

Plan Description - City of Manhattan Beach Retiree Medical Program

The City Retiree Medical Program is a Single Employer Plan that provides a fixed stipend to qualifying retirees and a contribution to all retirees enrolled in PERS medical plan. The City of Manhattan Beach contracts with PERS to participate in the Public Employee Medical and Hospital Care Act (PEMHCA). Under this contract, both active employees and retirees are provided access to health insurance.

Benefits Provided

The following is a description of the current retiree benefit plan under the employee Memoranda of Understanding (MOU):

	<u>Firefighters</u>	<u>General Employees</u>	<u>Non-sworn Management</u>	<u>Police Officers</u>
Benefit types provided	Contribution of HRA	Contribution of HRA	Contribution of HRA	Contribution of HRA
Duration of benefits	To age 65	To age 65	To age 65	To age 65
Required service	20 years	15 years	15 years	20 years in law enforcement ***
Minimum age	50	50	50	50
Dependent coverage	n/a *	n/a *	n/a *	n/a *
Contribution	\$400 per month **	\$250 per month **	\$400 per month for Department Heads \$250 per month for others	\$400 per month **

* Contribution to HRA does not vary by dependent content

** \$300 per month for firefighters retiring prior to August 1, 2008. \$300 for police hired before December 31, 2007.

*** 10 years with the City

Employees Covered

As of the June 30, 2023 actuarial measurement date, the following current and former employees were covered by the benefit terms under the PEMHCA Plan:

Inactive employees currently receiving benefits payment	134
Participating active employees	<u>286</u>
Total	<u><u>420</u></u>

Contributions

The plan is financed via actuarially determined contributions deposited into a trust fund managed by PERS. PERS has dual independent capacities as a provider of medical plans and as a trustee. In its capacity as a trustee, PERS will be referred to as CERBT (California Employees' Retirement Benefit Trust). City payments to employees and PERS will be reimbursed by payments from CERBT. For fiscal year 2023, the City paid \$101,072 for retiree medical benefits and was reimbursed \$361,752 from CERBT.

NOTE 13: POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023 based on the following actuarial methods and assumptions:

Valuation Date:	June 30, 2023
Actuarial Cost Method:	Entry Age
Actuarial Assumptions:	
Discount Rate	4.43% per year net of expenses
Inflation	2.5% per year
Salary Increase	2.75% per year
Healthcare Trend	4.0% per year
Mortality	2021 CalPERS mortality for active safety employees 2021 CalPERS mortality for active safety employees 2021 CalPERS active mortality for miscellaneous employees
Retirement Rates	Police: Hired 2013 and later: 2021 CalPERS 2.7%@57 Rates for Police Employees Hired 2012 and earlier: 2021 CalPERS 3.0%@50 Rates for Police Employees Firefighters: Hired 2013 and later: 2021 CalPERS 2.7%@57 Rates for Police Employees Hired 2012 and earlier: 2021 CalPERS 3.0%@55 Rates for Police Employees Miscellaneous: Hired 2012 and earlier: 2021 CalPERS 2.0%@55 Rates for Miscellaneous Employees Hired 2013 and later: 2021 CalPERS 2.0%@62 Rates for Police Employees

Expected Long-Term Rate of Return

Asset Class Component	Percentage of Portfolio	Assumed Gross Return
All Equities	40%	7.545%
All Fixed Income	43%	4.250%
Real Estate Investment Trusts	8%	7.250%
All Commodities	4%	7.545%
Treasury Inflation Protected Securities (TIPS)	5%	3.000%

Discount Rate

The discount rate used to measure the total OPEB liability was 4.43%. The rate used for the plan is the real rate of return expected for the plan assets plus the long term inflation assumption.

Change of Assumptions

In 2023, the accounting discount rate increased from 4.08 percent to 4.43 percent.

NOTE 13: POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

Changes in the Net OPEB Liability

The changes in the net OPEB liability for the Plan are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at June 30, 2022 Measurement Date	\$ 18,380,096	\$ 11,185,245	\$ 7,194,851
Changes recognized for the measurement period:			
Service cost	696,531	-	696,531
Interest on total OPEB liability	745,715	398,243	347,472
Employer contributions**	-	101,072	(101,072)
Administrative expenses	-	(3,204)	3,204
Actual benefit payments from employer	(827,434)	(827,434)	-
Experience (gains)/losses	(4,382,036)	-	(4,382,036)
Changes in assumptions	(226,367)	-	(226,367)
Net changes	(3,993,591)	(331,323)	(3,662,268)
Balance at June 30, 2023 Measurement Date	\$ 14,386,505	\$ 10,853,922	\$ 3,532,583

** Includes \$505,065 implied rate subsidy.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

	1% Decrease (3.43%)	Current Discount Rate (4.43%)	1% Increase (5.43%)
Net OPEB Liability	\$ 5,553,284	\$ 3,532,583	\$ 1,897,403

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 1,762,471	\$ 3,532,583	\$ 5,798,983

OPEB Plan Fiduciary Net Position

CERBT issues a publicly available financial report that includes financial statements and required supplementary information available on the CalPERS website under the California Employers' Retiree Benefit Trust (CERBT) Fund.

NOTE 13: POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

OPEB Expense, Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$1,335,783. As of June 30, 2024, the City reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 5,330	\$ (5,479,409)
Change in assumptions	6,133,699	(265,054)
Net differences between projected and actual return on assets	1,097,165	-
Total	<u>\$ 7,236,194</u>	<u>\$ (5,744,463)</u>

The deferred outflows and deferred inflows of resources related to OPEB will be recognized as expense as follows:

Year ended June 30:	Deferred Outflows/(Inflows) of Resources
2025	\$ 680,863
2026	659,784
2027	953,624
2028	472,576
2029	416,088
Thereafter	<u>(1,691,204)</u>
	<u>\$ 1,491,731</u>

NOTE 14: RETIREMENT PLAN FOR PART-TIME, SEASONAL AND TEMPORARY EMPLOYEES

On June 6, 1997, the City dissolved the City-administered retirement plan for part-time, seasonal and temporary employees and selected the Public Agency Retirement System (PARS) as the retirement program for this group.

The PARS plan is a defined contribution pension plan, which is administered by PARS. Benefits and funding requirements are determined by PARS' governing board. All members' earnings are subject to contribution from the employee and the employer. Historically, the contribution rate for both employee and employer has been 3.75% of payroll. In April 2011, the City exercised its option not to pick up 50% share of the required 7.50%. Consequently, for fiscal year ending June 30, 2024, 100% of contribution is derived from employee deduction.

Total payroll for employees covered by this plan for the year was \$1,680,926. The amount of employee contribution was \$117,259.

NOTE 15: RISK MANAGEMENT

The City is exposed to various risks of losses related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City adopted a self-insured workers' compensation program that is administered by City staff and a claims administrator.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 15: RISK MANAGEMENT (CONTINUED)

The City is a member of the CSAC-Excess Insurance Authority, a public entity risk pool currently operating as a common risk management and insurance program for California 95% of counties, 68% of California cities, as well as numerous California educational organizations, special districts, housing authorities, fire districts, and other Joint Powers Authorities. The City pays an annual premium to the pool for its excess insurance coverage including property (earthquake, flood and all risk), workers' compensation and general liability. The City also purchased separate dedicated earthquake limits for the public safety facility and other key structures.

For workers' compensation, the City is self-insured for the first \$750,000 on each claim with excess coverage up to statutory limits. For general liability, the City is self-insured for the first \$500,000 on each claim with excess coverage up to a limit of \$25,000,000.

The City is insured for property losses with a deductible of \$10,000 for all-risk (fire and theft) and earthquake loss with a deductible of 2% or minimum \$100,000, whichever is greater.

Claims expenditures and liabilities (general and worker's compensation) are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. This liability is the City's best estimate based on available information.

Reserves for open claims have been established in accordance with an analysis performed by a third-party claims' administrator. In addition, reserves for incurred but not reported claims have been estimated based on actuarial valuation. Total reserves for both workers' compensation and general liability at June 30, 2024 are as follows:

	Estimated Claims Value at Fiscal Year End	Additional Reserves for Incurred But Not Report Claims	Total Claims Reserve
Workers' Compensation Claims	\$ 9,059,914	\$ 6,819,500	\$ 15,879,414
General Liability Claims	3,083,394	755,000	3,838,394
	<u>\$ 12,143,308</u>	<u>\$ 7,574,500</u>	<u>\$ 19,717,808</u>

The following is a summary of the changes in the claims liability over the past two fiscal years.

Fiscal Year	Beginning Balance	Increase	Decrease	Ending Balance
2022-2023				
Workers'comp	\$ 15,384,287	\$ 3,611,831	\$ 3,641,188	\$ 15,354,930
General liabilities	2,419,738	4,032,623	3,680,306	2,772,055
Total	<u>\$ 17,804,025</u>	<u>\$ 7,644,454</u>	<u>\$ 7,321,494</u>	<u>\$ 18,126,985</u>
2023-2024				
Workers'comp	\$ 15,354,930	\$ 4,477,824	\$ 3,953,340	\$ 15,879,414
General liabilities	2,772,055	3,352,866	2,286,527	3,838,394
Total	<u>\$ 18,126,985</u>	<u>\$ 7,830,690</u>	<u>\$ 6,239,867</u>	<u>\$ 19,717,808</u>

During the past three fiscal (claims) years, none of the above programs has had settlements or judgments that exceed pooled or insured coverage. There have been no significant reductions in pooled or insured coverages from coverage in the prior year.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 15: RISK MANAGEMENT (CONTINUED)

The Excess Insurance Authority (EIA) has published its own annual comprehensive financial report for the year ended June 30, 2023, which can be obtained at the following link: <https://www.prismrisk.gov/resources/prism-documents/financial-information/annual-comprehensive-financial-report-acfr/acfr-fy-ended-6-30-2023/>

NOTE 16: JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS

A. Joint Venture

South Bay Regional Public Communications Authority

The City is a member of the South Bay Regional Public Communications Authority (SBRPCA), a joint powers authority of the cities of Manhattan Beach, Gardena and Hawthorne. SBRPCA was formed October 14, 1975, for the purpose of financing a public safety communications system for the member cities. The Governing Board is composed of an elected official of each member city. An executive committee is composed of the city managers of each member city. The City's participation percentage at June 30, 2024, was 22.85%.

Summarized audited financial information for SBRPCA at June 30, 2023*, is presented below:

Statement of Net Position

Assets	
Current assets	\$ 7,070,554
Noncurrent assets	7,227,097
Total Assets	<u>14,297,651</u>
Deferred Outflows of Resources	<u>5,674,146</u>
Liabilities	
Current liabilities	445,465
Noncurrent liabilities	12,214,131
Total Liabilities	<u>12,659,596</u>
Deferred Inflows of Resources	<u>2,123,049</u>
Net Position	<u>\$ 5,189,152</u>

Statement of Activities

Operating Revenues	\$ 13,068,123
Operating Expenses	<u>11,191,979</u>
Operating income before depreciation	<u>1,876,144</u>
Depreciation	<u>738,322</u>
Operating income/loss	<u>1,137,822</u>
Non-operating revenues (expenses):	
Interest earnings	<u>128,654</u>
Non operating revenues (expenses)	<u>128,654</u>
Change in net position	1,266,476
Net Position - June 30, 2022	3,922,676
Net Position - June 30, 2023	<u>\$ 5,189,152</u>

*Most current information available. SBRPCA has issued its own separate financial statements, which are available at 4440 W. Broadway, Hawthorne, California 90250.

NOTE 16: JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (CONTINUED)

B. Jointly Governed Organization

Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force

The City of Manhattan Beach is a member of Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force (L.A. IMPACT), a joint powers authority of the police departments of cities and other institutions in Los Angeles County. The Organization was formed July 1, 1991, with the mission to promote coordinated law enforcement efforts and to address emerging criminal justice issues, mainly in the areas of drug trafficking enterprise and money laundering. The Executive Council consists of 14 police chiefs and other various police officers. All financial decisions were made by the Executive Council. The members received monetary distributions from the asset seizures based on their respective contribution to the effort.

Summarized audited financial information for L.A. IMPACT at June 30, 2023*, is presented below:

Statement of Net Position

Assets

Current assets	\$ 7,942,022
Noncurrent assets	1,170,625
Total Assets	<u>9,112,647</u>

Liabilities

Current liabilities	528,238
Noncurrent liabilities	64,243
Total liabilities	592,481
Net Position	<u>\$ 8,520,166</u>

Statement of Activities

Program Revenues	\$ 3,156,523
Expenses	4,461,167
Excess of Revenues Over Expenses	<u>(1,304,644)</u>

Non operating revenues (expenses)

Investment earnings	62,072
Non operating revenues (expenses)	<u>62,072</u>

Change in net position (1,242,572)

Net Position - June 30, 2022	9,762,738
Net Position - June 30, 2023	<u>\$ 8,520,166</u>

*LA Impact has issued its own separate financial statements, which are available at 5700 S. Eastern Avenue, Commerce, California 90040.

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 17: COMMITMENTS AND CONTINGENCIES

Contingencies

There are certain claims and lawsuits pending against the City that seek monetary damages. Potential liabilities due to these claims are accounted for in the Insurance Reserve Fund.

Construction Commitments

The following material construction commitments existed as of June 30, 2024:

Project Title	Contract Amount	Expenditure to date as of June 30, 2024	Remaining Commitments
TMDL Trash Treatment Project	\$ 7,840,673	\$ 3,920,337	\$ 3,920,336
Annual Water Infrastructure Improvement Programs	2,899,438	1,449,719	1,449,719
Annual Street Resurfacing	4,315,787	3,544,434	771,353
Pier Railings	1,306,329	674,921	631,408
Peck Ground Level Reservoir Replacement	1,417,297	904,940	512,357

NOTE 18 FUND BALANCE

At June 30, 2024, the governmental funds report the following fund balance classifications:

	General	Capital Improvement	Total Nonmajor Funds	Total Governmental Funds
Nonspendable				
Notes and loans receivable	\$ 49,088	\$ -	\$ -	\$ 49,088
Leases receivable	541,859	-	-	541,859
Inventories	2,099	-	-	2,099
Prepaid costs	56,494	-	-	56,494
Total nonspendable	649,540	-	-	649,540
Restricted				
Public safety	-	-	778,900	778,900
Recreation	-	-	1,174,175	1,174,175
Public works	-	-	302,405	302,405
Capital projects	-	-	11,052,540	11,052,540
Pension benefits	3,599,985	-	-	3,599,985
Debt service	1,083,533	-	-	1,083,533
Total restricted	4,683,518	-	13,308,020	17,991,538
Committed				
Capital Projects	-	12,706,430	195,152	12,901,582
Total committed	-	12,706,430	195,152	12,901,582
Assigned				
Assigned for City retirement plans	57,289	-	-	57,289
Total assigned	57,289	-	-	57,289
Unassigned	34,991,414	-	-	34,991,414
Total fund balances (deficits)	\$ 40,381,761	\$ 12,706,430	\$ 13,503,172	\$ 66,591,363

CITY OF MANHATTAN BEACH, CALIFORNIA
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 19: NET INVESTMENTS IN CAPITAL ASSETS

The computation of Net Investments in Capital Assets is as follows:

	Government Activities	Business-Type Activities
Total Capital Assets	\$ 152,823,086	\$ 101,584,307
Long-term debt		
Marine Avenue Park Refunding COP Series 2016	(3,730,000)	-
2013 Police & Fire Facility Refunding COP	(4,955,000)	-
2021 Fire Station No. 2 COP	(7,075,000)	-
2021 Refunding COPs	-	(4,695,000)
Lease liability	(8,718,073)	-
SBITA liability	(443,963)	(13,053)
Deferred charge on refunding	241,407	-
Bond premium/discount	(1,563,813)	(911,286)
	<u>\$ 126,578,644</u>	<u>\$ 95,964,968</u>

NOTE 20: NET POSITION AND FUND BALANCES RESTATEMENT

During fiscal year 2024, error corrections and changes in accounting principle resulted in adjustments to and restatements of beginning net position and fund net position, as follows (amounts in thousands):

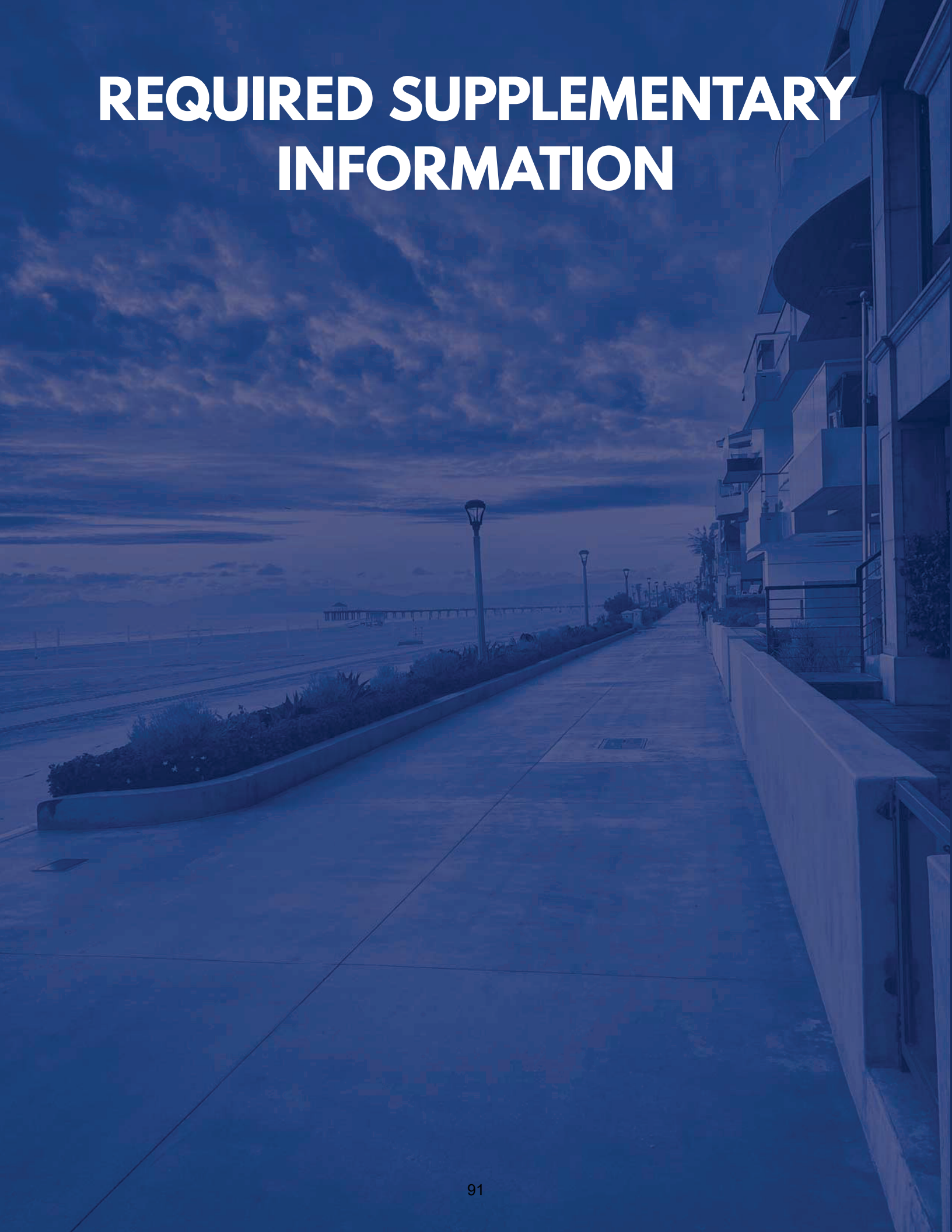
	June 30, 2023 As Previously Reported	Error Correction	June 30, 2023 As Restated
Government-wide			
Governmental activities	\$ 121,022,553	\$ 694,518	\$ 121,717,071
Business-type activities	124,291,125	2,193,720	126,484,845
Total government-wide	<u>\$ 245,313,678</u>	<u>\$ 2,888,238</u>	<u>\$ 248,201,916</u>
Proprietary funds			
Major funds			
Water	\$ 72,934,832	\$ 4,878	\$ 72,939,710
Wastewater	26,762,946	15,800	26,778,746
Parking	16,387,903	-	16,387,903
Nonmajor enterprise	8,205,444	2,173,042	10,378,486
Internal service funds	7,390,862	-	7,390,862
Total proprietary funds	<u>\$ 131,681,987</u>	<u>\$ 2,193,720</u>	<u>\$ 133,875,707</u>

Beginning net position for business-type activities and for the Water Fund, Wastewater Fund, and Stormwater Fund has been restated by \$4,878, \$15,800, and \$2,173,042, respectively, and beginning net position for governmental activities has been restated by \$694,518 to capitalize prior year capital assets.

NOTE 21: SUBSEQUENT EVENTS

On the November 5, 2024, General Election, voters approved Measure MMB to increase the local sales tax rate by half a cent beginning April 2025. Additionally, the City added a new Fund titled the Grants Fund in FY 2025.

REQUIRED SUPPLEMENTARY INFORMATION





CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
General Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 68,466,896	\$ 68,466,896	\$ 70,957,916	\$ 2,491,020
Licenses and permits	3,523,255	3,523,255	4,340,758	817,503
Intergovernmental	468,000	925,391	742,757	(182,634)
Charges for services	12,481,230	12,578,118	13,424,323	846,205
Use of money and property	4,727,200	4,727,200	7,146,781	2,419,581
Fines and forfeitures	2,524,000	2,629,653	1,953,584	(676,069)
Miscellaneous	1,424,880	1,439,880	1,202,262	(237,618)
Total revenues	93,615,461	94,290,394	99,768,381	5,477,987
EXPENDITURES				
Current:				
General government	18,008,723	19,170,850	18,145,903	1,024,947
Public safety	48,210,712	48,502,266	48,738,762	(236,496)
Culture and recreation	10,990,216	11,132,032	9,371,097	1,760,935
Public works	9,982,389	10,962,728	10,126,724	836,004
Capital outlay	180,000	232,980	9,406,018	(9,173,038)
Debt service:				
Principal	3,585,462	3,585,462	5,318,532	(1,733,070)
Interest and fiscal charges	2,050,408	2,050,408	2,310,089	(259,681)
Trustee fees and bond issuance cost	1,600	1,600	1,600	-
Total expenditures	93,009,510	95,638,326	103,418,725	(7,780,399)
Excess (deficiency) of revenues over (under) expenditures	605,951	(1,347,932)	(3,650,344)	(2,302,412)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	775,434	775,434
Transfers Out	(13,134)	(13,134)	(4,832,895)	(4,819,761)
Lease and subscriptions financing	-	-	9,403,714	9,403,714
Total other financing sources (uses)	(13,134)	(13,134)	5,346,253	5,359,387
Net change in fund balances	\$ 592,817	\$ (1,361,066)	1,695,909	\$ 3,056,975
Fund balances-beginning			38,685,852	
Fund balances (deficit)-ending			\$ 40,381,761	

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Changes in Net Pension Liability and Related Ratios
Miscellaneous Plan
As of June 30, for the Last Ten Fiscal Years

	2024	2023	2022	2021
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
TOTAL PENSION LIABILITY				
Service cost	\$ 3,134,299	\$ 2,943,841	\$ 2,650,267	\$ 2,737,868
Interest on total pension liability	9,482,836	8,978,056	8,598,669	8,237,478
Changes of benefit terms	186,466	1,093,755	-	-
Changes of assumptions	-	4,573,133	-	-
Difference between expected and actual experience	1,524,258	(1,315,243)	(820,321)	261,490
Benefit payments, including refunds of employee contributions	(6,439,916)	(6,384,471)	(5,398,971)	(4,720,240)
Net change in total pension liability	7,887,943	9,889,071	5,029,644	6,516,596
Total pension liability-beginning	137,374,490	127,485,419	122,455,775	115,939,179
Total pension liability-ending (a)	145,262,433	137,374,490	127,485,419	122,455,775
PLAN FIDUCIARY NET POSITION				
Contributions-employer	1,976,642	1,624,870	31,975,816	3,088,142
Contributions-employee	1,542,323	1,286,707	1,231,319	1,148,119
Net investment income	7,877,280	(10,719,243)	22,191,353	4,500,278
Benefit payments, including refunds of employee contributions	(6,439,916)	(6,384,471)	(5,398,971)	(4,720,240)
Net plan to plan resource movement	-	-	-	-
Administrative expense	(95,308)	(89,635)	(93,884)	(127,012)
Other miscellaneous income/(expense)	-	-	-	-
Net change in fiduciary net position	4,861,021	(14,281,772)	49,905,633	3,889,287
Plan fiduciary net position-beginning	129,607,944	143,889,716	93,984,083	90,094,796
Plan fiduciary net position-ending (b)	134,468,965	129,607,944	143,889,716	93,984,083
Net pension liability/(asset) (a) - (b)	\$ 10,793,468	\$ 7,766,546	\$ (16,404,297)	\$ 28,471,692
Plan fiduciary net position as a percentage of the total pension liability	92.6%	94.3%	112.9%	76.7%
Covered payroll	\$ 18,689,916	\$ 17,388,313	\$ 17,209,527	\$ 17,472,037
Plan net pension liability/(asset) as a percentage of covered payroll	57.8%	44.7%	-95.3%	163.0%

Notes to Schedule of Changes in the Net Pension Liability and Related Ratios:

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the measurement date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: None in 2020-2022. In 2019, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2018, the discount rate was reduced from 7.65% to 7.15%. In 2017, there were no changes. In 2016, amounts reported reflect an adjustment of the discount rate from 7.50% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2015, amounts reported were based on the 7.50% discount rate.

2020	2019	2018	2017	2016	2015
6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
\$ 2,657,779	\$ 2,639,954	\$ 2,582,619	\$ 2,116,750	\$ 1,906,947	\$ 1,897,933
7,803,956	7,282,132	6,931,655	6,725,647	6,365,282	6,036,548
-	-	-	-	-	-
-	11,137	5,953,464	-	(450,327)	-
1,833,076	(577,483)	(2,203,443)	(125,272)	(1,610,461)	-
(4,679,793)	(4,251,920)	(3,897,657)	(3,694,517)	(3,387,918)	(2,930,477)
7,615,018	5,103,820	9,366,638	5,022,608	2,823,523	5,004,004
108,324,161	103,220,341	93,853,703	88,831,095	86,007,572	81,003,568
115,939,179	108,324,161	103,220,341	93,853,703	88,831,095	86,007,572
2,699,124	2,257,840	2,139,788	1,856,633	1,619,438	1,512,406
1,183,069	1,194,936	1,142,808	1,110,014	986,936	911,689
5,590,075	6,733,944	8,057,534	357,760	1,618,145	10,722,182
(4,679,793)	(4,251,920)	(3,897,657)	(3,694,517)	(3,387,918)	(2,930,477)
-	(198)	-	(388)	-	-
(60,918)	(124,333)	(106,973)	(44,409)	(82,036)	-
199	(236,111)	-	-	-	-
4,731,756	5,574,158	7,335,500	(414,907)	754,565	10,215,800
85,363,040	79,788,882	72,453,382	72,868,289	72,113,724	61,897,924
90,094,796	85,363,040	79,788,882	72,453,382	72,868,289	72,113,724
\$ 25,844,383	\$ 22,961,121	\$ 23,431,459	\$ 21,400,321	\$ 15,962,806	\$ 13,893,848
77.7%	78.8%	77.3%	77.2%	82.0%	83.8%
\$ 16,866,425	\$ 16,557,666	\$ 16,051,083	\$ 14,974,179	\$ 13,348,365	\$ 13,348,365
153.2%	138.7%	146.0%	142.9%	119.6%	104.1%

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Changes in Net Pension Liability and Related Ratios
Pension Plan - Supplemental Retirement Plan
As of June 30, for the Last Ten Fiscal Years

	2024	2023	2022	2021
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
TOTAL PENSION LIABILITY				
Interest on total pension liability	\$ 1,617	\$ 1,743	\$ 1,143	\$ 1,787
Changes of assumptions	(353)	(3,108)	7,476	62
Difference between expected and actual experience	11,535	11,270	(2,564)	(34,482)
Benefit payments, including refunds of employee contributions	(13,898)	(13,359)	(12,889)	(14,382)
Net change in total pension liability	(1,099)	(3,454)	(6,834)	(47,015)
Total pension liability-beginning	48,931	52,385	59,219	106,234
Total pension liability-ending (a)	47,832	48,931	52,385	59,219
PLAN FIDUCIARY NET POSITION				
Contributions-employer	13,898	13,359	12,889	14,382
Net investment income	-	-	-	-
Benefit payments, including refunds of employee contributions	(13,898)	(13,359)	(12,889)	(14,382)
Net change in fiduciary net position	-	-	-	-
Plan fiduciary net position-beginning	-	-	-	-
Restatement	-	-	-	-
Plan fiduciary net position-ending (b)	-	-	-	-
Net pension liability/(asset) (a) - (b)	\$ 47,832	\$ 48,931	\$ 52,385	\$ 59,219
Plan fiduciary net position as a percentage of the total pension liability	0.0%	0.0%	0.0%	0.0%
Covered payroll	N/A	N/A	N/A	N/A
Plan net pension liability/(asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A

Notes to Schedule of Changes in the Net Pension Liability and Related Ratios:

The fiduciary net position has been restated since the assets held were not in a trust fund as defined by GASB Statement No. 68, but were pulled with the City's cash and investments.

In fiscal year 2023-24, the discount rate was changed from 3.65% to 3.93%.

2020	2019	2018	2017	2016	2015
6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
\$ 4,057	\$ 4,045	\$ 4,837	\$ (552)	\$ 4,465	\$ 3,868
5,916	2,027	-	-	-	-
6,826	18,576	8,685	35,649	9,609	16,651
(22,327)	(22,125)	(21,690)	(21,340)	(21,728)	(20,519)
(5,528)	2,523	(8,168)	13,757	(7,654)	-
111,762	109,239	117,407	103,650	111,304	111,304
106,234	111,762	109,239	117,407	103,650	111,304
22,327	27,773	-	-	-	-
-	1,024	496	(552)	4,465	3,868
(22,327)	(22,125)	(21,690)	(21,340)	(21,728)	(20,519)
-	6,672	(21,194)	(21,892)	(17,263)	(16,651)
32,344	25,672	46,866	68,758	86,021	102,672
(32,344)	-	-	-	-	-
-	32,344	25,672	46,866	68,758	86,021
\$ 106,234	\$ 79,418	\$ 83,567	\$ 70,541	\$ 34,892	\$ 25,283
0.0%	28.9%	23.5%	39.9%	66.3%	77.3%
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A



CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Investment Returns
Pension Plan - Supplemental Retirement Plan
As of June 30, for the Last Ten Fiscal Years

Fiscal Year Ending June 30,	Net Money-Weighted Rate of Return
2024	3.93%
2023	3.65%
2022	3.54%
2021	2.16%
2020	2.20%
2019	3.50%
2018	4.12%
2017	3.49%
2016	3.60%
2015	4.40%

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Changes in Net Pension Liability and Related Ratios
Pension Plan - Single Highest Year Plan
As of June 30, for the Last Ten Fiscal Years

	2024	2023	2022	2021
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
TOTAL PENSION LIABILITY				
Interest on total pension liability	\$ 3,311	\$ 3,680	\$ 2,421	\$ 5,975
Changes of assumptions	(722)	(6,560)	(5,433)	207
Difference between expected and actual experience	13,596	9,222	15,842	(138,309)
Benefit payments, including refunds of employee contributions	(21,490)	(21,068)	(20,304)	(25,050)
Net change in total pension liability	(5,305)	(14,726)	(7,474)	(157,177)
Total pension liability-beginning	103,289	118,015	125,489	282,666
Total pension liability-ending (a)	97,984	103,289	118,015	125,489
PLAN FIDUCIARY NET POSITION				
Contributions-employer	21,490	23,360	20,304	25,050
Benefit payments, including refunds of employee contributions	(21,490)	(23,360)	(20,304)	(25,050)
Net change in fiduciary net position	-	-	-	-
Plan fiduciary net position-beginning	-	-	-	-
Restatement	-	-	-	-
Plan fiduciary net position-ending (b)	-	-	-	-
Net pension liability/(asset) (a) - (b)	\$ 97,984	\$ 103,289	\$ 118,015	\$ 125,489
Plan fiduciary net position as a percentage of the total pension liability	0.0%	0.0%	0.0%	0.0%
Covered payroll	N/A	N/A	N/A	N/A
Plan net pension liability/(asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A

Notes to Schedule of Changes in the Net Pension Liability and Related Ratios:

The fiduciary net position has been restated since the assets held were not in a trust fund as defined by GASB Statement No. 68, but were pulled with the City's cash and investments.

In fiscal year 2022-23, the discount rate was changed from 3.54% to 3.65%.

2020	2019	2018	2017	2016	2015
6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
\$ 8,785	\$ 10,663	\$ 13,871	\$ (1,639)	\$ 13,610	\$ 9,588
15,460	6,053	-	-	-	-
17,838	41,951	(12,652)	94,614	19,167	41,284
(51,473)	(50,694)	(53,805)	(52,928)	(51,598)	(50,872)
(9,390)	7,973	(52,586)	40,047	(18,821)	-
292,056	284,083	336,669	296,622	315,443	315,443
282,666	292,056	284,083	336,669	296,622	315,443
51,473	72,227	-	-	-	-
(51,473)	(46,005)	(52,189)	(54,567)	(37,988)	(41,284)
-	26,222	(52,189)	(54,567)	(37,988)	(41,284)
118,394	92,172	144,361	198,928	236,916	278,200
(118,394)	-	-	-	-	-
-	118,394	92,172	144,361	198,928	236,916
\$ 282,666	\$ 173,662	\$ 191,911	\$ 192,308	\$ 97,694	\$ 78,527
0.0%	40.5%	32.4%	42.9%	67.1%	75.1%
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Investment Returns
Pension Plan - Single Highest Year Plan
As of June 30, for the Last Ten Fiscal Years

Fiscal Year Ending June 30,	Net Money-Weighted Rate of Return
2024	3.93%
2023	3.65%
2022	3.54%
2021	2.16%
2020	2.20%
2019	3.50%
2018	4.12%
2017	3.49%
2016	3.60%
2015	4.40%

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedules of Proportionate Share of Net Pension Liability
As of June 30, for the Last Ten Fiscal Years

Reporting Date ¹ as of June 30,	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Covered Payroll	Plan's Fiduciary Net Position as a % of the Total Pension Liability
<u>Safety Plan</u>					
2024	0.1070%	\$ 13,348,393	\$ 14,771,765	90.4%	94.7%
2023	0.0680%	7,851,465	13,651,265	57.5%	96.7%
2022	-1.0111%	(35,484,453)	13,731,032	-258.4%	115.6%
2021	0.9278%	61,811,652	13,904,770	444.5%	71.9%
2020	0.8885%	55,463,474	13,238,294	419.0%	73.9%
2019	0.8844%	51,890,006	13,377,912	387.9%	75.3%
2018	0.7380%	51,004,452	13,476,008	378.5%	73.3%
2017	0.8545%	44,229,612	13,396,233	330.2%	74.1%
2016	0.8167%	33,649,892	12,509,404	269.0%	78.3%
2015	0.4829%	30,049,799	11,899,053	252.5%	78.3%

Notes to Schedule of Proportionate Share of the Net Pension Liability:

Benefit Changes : None

Changes of Assumptions : None

1 The proportions and proportionate share of the net pension liability are measured as of one year behind the reporting date. Refer to notes to basic financial statements.



CITY OF MANHATTAN BEACH, CALIFORNIA
Schedules of Plan Contributions
As of June 30, for the Last Ten Fiscal Years

Fiscal Year Ending June 30,		Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Covered/ Covered- Employee Payroll	Contribution as a % of Covered/ Covered Employee Payroll
<u>Miscellaneous Agent, Multiple-Employer Pension Plan</u>						
2024	\$	2,214,398	\$ 2,214,398	\$ -	\$ 18,375,691	12.1%
2023		1,918,178	1,918,178		18,689,916	10.3%
2022		1,624,870	1,624,870	-	17,388,313	9.3%
2021		3,428,883	31,975,816	(28,546,933)	17,209,527	185.8%
2020		3,088,142	3,088,142	-	17,472,037	17.7%
2019		2,699,124	2,699,124	-	16,866,425	16.0%
2018		2,257,840	2,257,840	-	16,557,666	13.6%
2017		2,139,788	2,139,788	-	16,051,083	13.3%
2016		1,856,633	1,856,633	-	14,974,179	12.4%
2015		1,619,438	1,619,438	-	13,348,365	12.1%
<u>Supplemental Retirement Pension Plan</u>						
2024	\$	-	\$ 13,898	\$ (13,898)	N/A	N/A
2023		-	13,359	(13,359)	N/A	N/A
2022		-	12,889	(12,889)	N/A	N/A
2021		-	-	-	N/A	N/A
2020		-	-	-	N/A	N/A
2019		-	-	-	N/A	N/A
2018		-	-	-	N/A	N/A
2017		-	-	-	N/A	N/A
2016		-	-	-	N/A	N/A
2015		-	-	-	N/A	N/A
<u>Single Highest Year Pension Plan</u>						
2024	\$	-	\$ 21,490	\$ (21,490)	N/A	N/A
2023		-	23,360	(23,360)	N/A	N/A
2022		-	20,304	(20,304)	N/A	N/A
2021		-	-	-	N/A	N/A
2020		-	-	-	N/A	N/A
2019		-	-	-	N/A	N/A
2018		-	-	-	N/A	N/A
2017		-	-	-	N/A	N/A
2016		-	-	-	N/A	N/A
2015		-	-	-	N/A	N/A
<u>Safety Cost-Sharing, Multiple-Employer Pension Plan</u>						
2024	\$	3,410,036	\$ 3,410,036	\$ -	\$ 14,520,026	23.5%
2023		3,085,036	3,085,036	-	14,771,765	20.9%
2022		2,798,477	2,798,477	-	13,651,265	20.5%
2021		6,572,770	68,788,953	(62,216,183)	13,731,032	501.0%
2020		5,997,853	5,997,853	-	13,904,770	43.1%
2019		5,071,642	5,071,642	-	13,238,294	38.3%
2018		4,413,119	4,413,119	-	13,377,912	33.0%
2017		4,035,127	4,035,127	-	13,476,008	29.9%
2016		4,000,319	4,000,319	-	13,396,233	29.9%
2015		3,437,160	3,437,160	-	12,509,404	27.5%
<u>Single Employer OPEB Plan</u>						
2024	\$	-	\$ -	\$ -	\$ 35,117,049	0.0%
2023		-	-	-	33,042,483	0.0%
2022		-	-	-	31,281,530	0.0%
2021		-	-	-	31,108,248	0.0%
2020		-	-	-	30,039,928	0.0%
2019		-	-	-	28,955,206	0.0%
2018		-	-	-	28,350,135	0.0%

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Changes in Net OPEB Liability and Related Ratios
As of June 30, for the Last Ten Fiscal Years ¹

	2024	2023	2022	2021
Measurement Date	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
TOTAL OPEB LIABILITY				
Service cost	\$ 696,531	\$ 680,762	\$ 912,539	\$ 860,600
Interest on total pension liability	745,715	721,654	741,118	726,498
Changes of benefit terms	-	(5,588)	8,110	-
Changes of assumptions	(226,367)	(40,688)	(47,483)	301,994
Difference between expected and actual experience	(4,382,036)	-	(2,139,728)	(67,563)
Benefit payments, including refunds of employee contributions	<u>(827,434)</u>	<u>(826,360)</u>	<u>(827,450)</u>	<u>(768,497)</u>
Net change in total OPEB liability	(3,993,591)	529,780	(1,352,894)	1,053,032
Total OPEB liability-beginning	<u>18,380,096</u>	<u>17,850,316</u>	<u>19,203,210</u>	<u>18,150,178</u>
Total OPEB liability-ending (a)	<u>14,386,505</u>	<u>18,380,096</u>	<u>17,850,316</u>	<u>19,203,210</u>
PLAN FIDUCIARY NET POSITION				
Contributions-employer	101,072	826,360	500,355	458,552
Contributions-employee	-	-	-	-
Net investment income	398,243	(1,602,871)	2,170,346	579,074
Benefit payments, including refunds of employee contributions	(827,434)	(826,360)	(827,450)	(768,497)
Net plan to plan resource movement	-	-	-	-
Administrative expense	(3,204)	(3,246)	(4,002)	(5,285)
Other miscellaneous income/(expense)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fiduciary net position	(331,323)	(1,606,117)	1,839,249	263,844
Plan fiduciary net position-beginning	<u>11,185,245</u>	<u>12,791,362</u>	<u>10,952,113</u>	<u>10,688,269</u>
Plan fiduciary net position-ending (b)	<u>10,853,922</u>	<u>11,185,245</u>	<u>12,791,362</u>	<u>10,952,113</u>
Net OPEB liability/(asset) (a) - (b)	<u>\$ 3,532,583</u>	<u>\$ 7,194,851</u>	<u>\$ 5,058,954</u>	<u>\$ 8,251,097</u>
Plan fiduciary net position as a percentage of the total OPEB liability	75.4%	60.9%	71.7%	57.0%
Covered-employee payroll	\$ 33,042,483	\$ 31,281,530	\$ 31,108,248	\$ 30,039,928
Plan net OPEB liability/(asset) as a percentage of covered-employee payroll	10.7%	23.0%	16.3%	27.5%

Notes to Schedule of Changes in the Net OPEB Liability and Related Ratios:

Benefit Changes : None

Changes of Assumptions : None

¹ Fiscal year 2018 was the first year of GASB Statement No. 75 implementation; therefore only seven years are shown.

2020	2019	2018
6/30/2019	6/30/2018	6/30/2017
\$ 162,042	\$ 157,705	\$ 153,484
405,961	389,029	373,003
14,816	-	-
11,785,934	-	-
(217,943)	-	-
(315,517)	(276,109)	(292,220)
11,835,293	270,625	234,267
6,314,885	6,044,260	5,809,993
18,150,178	6,314,885	6,044,260
-	-	-
-	-	-
723,910	620,328	696,310
(315,517)	(276,109)	(292,220)
-	-	-
(2,217)	(18,413)	(5,052)
-	-	-
406,176	325,806	399,038
10,282,093	9,956,287	9,557,249
10,688,269	10,282,093	9,956,287
\$ 7,461,909	\$ (3,967,208)	\$ (3,912,027)
58.9%	162.8%	164.7%
\$ 28,955,206	\$ 28,350,135	\$ 27,942,810
25.8%	-14.0%	-14.0%

NOTE 1: BUDGETARY COMPARISON INFORMATION

A. General Budget Policies

The operating budget serves as the annual financial plan for the City and serves as the policy document of the City Council for implementing Council goals and objectives. The budget provides the staff the resources necessary to accomplish City Council determined service levels.

The City Manager annually will prepare and present a proposed operating budget to the City Council no later than the second regular Council meeting in May of each year; and Council will adopt said budget no later than June 30 of each year. Funds may not be expended or encumbered for the following fiscal year until the budget has been adopted by the City Council.

The City's annual budget will be presented by department, with a logical breakdown of programs and proposed expenses. The budget document will also summarize expenditures at the personnel, operating and maintenance, and capital levels.

Where practical, the City's annual budget will include measures of workload, efficiency, and effectiveness.

B. Budgetary Control and Accountability

Budget control is maintained at the departmental level. The City Manager has the authority to approve appropriation transfers between programs or departments. In no case may total expenditures of a particular fund exceed that which is appropriated by the City Council without a budget amendment. Amendments to the budget are approved by the City Council with the exception of the appropriation and transfer of funds from employee leave reserves to a specific department's program budget to cover unplanned customary termination leave expenditures within a given year. Such amendments may be approved by the City Manager.

Budget accountability rests primarily with the operating departments of the City.

C. Basis of Budgeting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and are used as a management control device.

D: Excess of Expenditures over Appropriations

Excess expenditures over appropriations were as follows:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund			
Public safety	\$ 48,738,762	\$ 48,502,266	\$ 236,496
Capital outlay	9,406,018	232,980	9,173,038
Principal	5,318,532	3,585,462	1,733,070
Interest and fiscal charges	2,310,089	2,050,408	259,681

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS & SCHEDULES



NONMAJOR FUNDS

Special Revenue Fund Description

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted by law to expenditures for specified purposes.

Street Lighting and Landscape Fund provides the power, maintenance and capital improvements for the lighting system within the City of Manhattan Beach. Money is received from a special assessment placed on each tax bill in the City, the amount of which is determined by the benefit received by the owner of each property.

Gas Tax Fund is used to account for the City's share of the state and county gasoline tax collection in accordance with the provisions of the State of California Streets and Highway Code. Revenues are disbursed by the state based on population and must be used toward the maintenance and repair of City streets that serve as state and county thoroughfares.

Asset Forfeiture Fund is used to account for funds received through federal and state agencies for drug seizures in which the City participated. These funds must be used to supplement, not supplant, the Police Department's normal operating budget. The amount of revenue will vary from year to year based on activity levels.

Public Safety Grants Fund is used for monies received from the federal and state governments for the purposes of supplementing front-line law enforcement services.

Proposition A Fund is used to account for proceeds from the half-cent sales taxes generated by the approval of Proposition A by Los Angeles County voters. These funds, which are administered by the Los Angeles County Metropolitan Transportation Authority (MTA), are distributed based on population and must be used for transportation-related projects.

Proposition C Fund is used to account for the City's Proposition C revenue and expenditures. In November 1990, Los Angeles County voters approved a half -cent sales tax intended to support projects and programs related to transit.

AB 2766 Fund is used to account for proceeds received from the additional vehicle registration fee imposed by the state and regulated by the Air Quality Management District (AQMD). These funds are distributed based on population and must be used for programs designed to reduce air pollution from motor vehicles.

Measure R Fund is a half cent sales tax approved by Los Angeles voters to be used for new and existing transportation projects, including local bus operations and local city sponsored transportation improvements. Local cities are allocated 15% of collections on a per capita basis. The City of Manhattan Beach began receiving Measure R funds in fiscal 2010-2011, and established a separate fund to capture revenues and expenditures. Eligible expenditures are streets and signals, bikeways, pedestrian improvements, and transit service improvements.

Measure M Fund is a half-cent sales tax approved by Los Angeles County voters to ease traffic congestion; expand rail and rapid transit system; repave local streets, repair potholes, and synchronize signals; make public transportation more accessible for seniors, students, and the disabled; and earthquake-retrofit bridges. The City of Manhattan Beach began receiving Measure M funds in fiscal 2018 and established a separate fund to capture revenue and expenditures.

Measure W Fund is a voter approved parcel tax intended to fund projects, infrastructure, and program to capture, treat, and recycle storm water. The City began receiving Measure W funds in the fiscal year 2021-2022 and established a separate fund to capture revenues and expenditures.

Capital Project Fund Description

Capital Projects Funds are used to account for financial resources segregated for the acquisition or construction of major capital facilities, other than those financed by Enterprise or Internal Service Funds.

NONMAJOR FUNDS (CONTINUED)

Bond Construction Fund accounts for financial resources segregated for the acquisition or construction of major capital projects financed through the issuance of bonds.

Underground Assessment District Fund accounts for the financial resources used for underground utility assessment district (UUAD) projects. UUASs are initiated and formed by property owners who are interested in paying for the undergrounding of the overhead utility in their neighborhood.

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Street Lighting and Landscape	Gas Tax	Asset Forfeiture	Public Safety Grants
ASSETS				
Cash and investments	\$ 87,086	\$ 4,333,544	\$ 274,745	\$ 504,155
Receivables (net of allowance for uncollectible):				
Accounts	5,980	-	-	-
Due from other governments	-	251,522	-	-
Grants	-	111,912	-	-
Total assets	93,066	4,696,978	274,745	504,155
LIABILITIES				
Accounts payable	71,223	288,761	-	-
Accrued liabilities	-	19,284	-	-
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	71,223	308,045	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	111,912	-	-
Total deferred inflows of resources	-	111,912	-	-
FUND BALANCES (DEFICITS)				
Restricted	21,843	4,277,021	274,745	504,155
Committed	-	-	-	-
Total fund balances (deficits)	21,843	4,277,021	274,745	504,155
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 93,066	\$ 4,696,978	\$ 274,745	\$ 504,155

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

(Continued)

	Special Revenue Funds			
	Proposition A	Proposition C	AB 2766	Measure R
ASSETS				
Cash and investments	\$ 1,182,950	\$ 1,397,464	\$ 280,563	\$ 1,835,083
Receivables (net of allowance for uncollectible):				
Accounts	351	-	-	-
Due from other governments	-	60,297	-	45,356
Grants	-	1,725,477	-	87,975
Total assets	1,183,301	3,183,238	280,563	1,968,414
LIABILITIES				
Accounts payable	9,126	336,302	-	49,451
Accrued liabilities	-	1,212	-	-
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	9,126	337,514	-	49,451
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	1,725,477	-	82,086
Total deferred inflows of resources	-	1,725,477	-	82,086
FUND BALANCES (DEFICITS)				
Restricted	1,174,175	1,120,247	280,563	1,836,877
Committed	-	-	-	-
Total fund balances (deficits)	1,174,175	1,120,247	280,563	1,836,877
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 1,183,301	\$ 3,183,238	\$ 280,563	\$ 1,968,414

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds		Capital Projects Funds	
	Measure M	Measure W	Bond Construction	Underground Assessment District
ASSETS				
Cash and investments	\$ 982,367	\$ 1,906,604	\$ 625,537	\$ 1,446,434
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Due from other governments	51,422	-	-	-
Grants	76,656	15,506	-	-
Total assets	1,110,445	1,922,110	625,537	1,446,434
LIABILITIES				
Accounts payable	1,530	67,045	40,915	-
Accrued liabilities	5,000	-	389,470	-
Deposits payable	-	-	-	1,741
Unearned revenues	-	513,993	-	-
Total liabilities	6,530	581,038	430,385	1,741
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	55,780	15,506	-	-
Total deferred inflows of resources	55,780	15,506	-	-
FUND BALANCES (DEFICITS)				
Restricted	1,048,135	1,325,566	-	1,444,693
Committed	-	-	195,152	-
Total fund balances (deficits)	1,048,135	1,325,566	195,152	1,444,693
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 1,110,445	\$ 1,922,110	\$ 625,537	\$ 1,446,434

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Total Nonmajor Funds
ASSETS	
Cash and investments	\$ 14,856,532
Receivables (net of allowance for uncollectible):	
Accounts	6,331
Due from other governments	408,597
Grants	2,017,526
Total assets	17,288,986
LIABILITIES	
Accounts payable	864,353
Accrued liabilities	414,966
Deposits payable	1,741
Unearned revenues	513,993
Total liabilities	1,795,053
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenues	1,990,761
Total deferred inflows of resources	1,990,761
FUND BALANCES (DEFICITS)	
Restricted	13,308,020
Committed	195,152
Total fund balances (deficits)	13,503,172
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 17,288,986

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Street Lighting and Landscape	Gas Tax	Asset Forfeiture	Public Safety Grants
REVENUES				
Taxes	\$ 374,292	\$ -	\$ -	\$ -
Intergovernmental	-	2,008,820	169,395	186,159
Charges for services	-	-	-	-
Use of money and property	1,478	170,119	7,827	24,602
Miscellaneous	7,525	-	-	-
Total revenues	383,295	2,178,939	177,222	210,761
EXPENDITURES				
Current:				
Public safety	-	-	54,601	103,312
Culture and recreation	-	-	-	-
Public works	681,332	69,817	-	-
Capital outlay	-	1,150,360	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	681,332	1,220,177	54,601	103,312
Excess (deficiency) of revenues over (under) expenditures	(298,037)	958,762	122,621	107,449
OTHER FINANCING SOURCES (USES)				
Transfers in	252,991	-	-	-
Transfers out	(6,071)	-	-	-
Total other financing sources (uses)	246,920	-	-	-
Net change in fund balances	(51,117)	958,762	122,621	107,449
Fund balances-beginning	72,960	3,318,259	152,124	396,706
Fund balances (deficit)-ending	\$ 21,843	\$ 4,277,021	\$ 274,745	\$ 504,155

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

(Continued)

	Special Revenue Funds			
	Proposition A	Proposition C	AB 2766	Measure R
REVENUES				
Taxes	\$ 925,475	\$ 767,660	\$ -	\$ 575,565
Intergovernmental	-	573,192	34,582	862,255
Charges for services	2,803	-	-	-
Use of money and property	43,950	120,999	10,862	117,005
Miscellaneous	-	-	-	1,579
Total revenues	972,228	1,461,851	45,444	1,556,404
EXPENDITURES				
Current:				
Public safety	-	-	-	-
Culture and recreation	674,379	-	-	-
Public works	-	32,541	672	73,142
Capital outlay	-	2,904,664	2,245	1,012,012
Debt service:				
Principal	18,784	-	-	-
Interest and fiscal charges	11,131	-	-	-
Total expenditures	704,294	2,937,205	2,917	1,085,154
Excess (deficiency) of revenues over (under) expenditures	267,934	(1,475,354)	42,527	471,250
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	267,934	(1,475,354)	42,527	471,250
Fund balances-beginning	906,241	2,595,601	238,036	1,365,627
Fund balances (deficit)-ending	\$ 1,174,175	\$ 1,120,247	\$ 280,563	\$ 1,836,877

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds		Capital Projects Funds	
	Measure M	Measure W	Bond Construction	Underground Assessment District
REVENUES				
Taxes	\$ 649,936	\$ 409,929	\$ -	\$ -
Intergovernmental	336,513	344,928	-	-
Charges for services	-	-	-	-
Use of money and property	93,593	106,193	230,836	121,150
Miscellaneous	-	-	-	-
Total revenues	1,080,042	861,050	230,836	121,150
EXPENDITURES				
Current:				
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Public works	78,495	49,904	-	699,196
Capital outlay	1,791,622	380,173	1,906,694	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	1,870,117	430,077	1,906,694	699,196
Excess (deficiency) of revenues over (under) expenditures	(790,075)	430,973	(1,675,858)	(578,046)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(790,075)	430,973	(1,675,858)	(578,046)
Fund balances-beginning	1,838,210	894,593	1,871,010	2,022,739
Fund balances (deficit)-ending	\$ 1,048,135	\$ 1,325,566	\$ 195,152	\$ 1,444,693

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Total Nonmajor Funds
REVENUES	
Taxes	\$ 3,702,857
Intergovernmental	4,515,844
Charges for services	2,803
Use of money and property	1,048,614
Miscellaneous	9,104
Total revenues	9,279,222
EXPENDITURES	
Current:	
Public safety	157,913
Culture and recreation	674,379
Public works	1,685,099
Capital outlay	9,147,770
Debt service:	
Principal	18,784
Interest and fiscal charges	11,131
Total expenditures	11,695,076
Excess (deficiency) of revenues over (under) expenditures	(2,415,854)
OTHER FINANCING SOURCES (USES)	
Transfers in	252,991
Transfers out	(6,071)
Total other financing sources (uses)	246,920
Net change in fund balances	(2,168,934)
Fund balances-beginning	15,672,106
Fund balances (deficit)-ending	\$ 13,503,172

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Street Lighting and Landscape Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 377,080	\$ 377,080	\$ 374,292	\$ (2,788)
Use of money and property	-	-	1,478	1,478
Miscellaneous	-	-	7,525	7,525
Total revenues	377,080	377,080	383,295	6,215
EXPENDITURES				
Current:				
Public works	695,449	780,070	681,332	98,738
Capital outlay	-	9,684	-	9,684
Total expenditures	695,449	789,754	681,332	108,422
Excess (deficiency) of revenues over (under) expenditures	(318,369)	(412,674)	(298,037)	114,637
OTHER FINANCING SOURCES (USES)				
Transfers In	13,517	13,517	252,991	239,474
Transfers Out	-	-	(6,071)	(6,071)
Total other financing sources (uses)	13,517	13,517	246,920	233,403
Net change in fund balances	\$ (304,852)	\$ (399,157)	(51,117)	\$ 348,040
Fund balances (deficit)-beginning			72,960	
Fund balances (deficit)-ending			\$ 21,843	

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Gas Tax Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,924,355	\$ 2,161,709	\$ 2,008,820	\$ (152,889)
Use of money and property	22,000	22,000	170,119	148,119
Total revenues	1,946,355	2,183,709	2,178,939	(4,770)
EXPENDITURES				
Current:				
Public works	60,138	60,138	69,817	(9,679)
Capital outlay	2,495,000	4,746,091	1,150,360	3,595,731
Total expenditures	2,555,138	4,806,229	1,220,177	3,586,052
Net change in fund balances	\$ (608,783)	\$ (2,622,519)	958,762	\$ 3,581,281
Fund balances (deficit)-beginning			3,318,259	
Fund balances (deficit)-ending			\$ 4,277,021	

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Asset Forfeiture Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 169,395	\$ 129,395
Use of money and property	1,800	1,800	7,827	6,027
Total revenues	41,800	41,800	177,222	135,422
EXPENDITURES				
Current:				
Public safety	90,500	90,500	54,601	35,899
Total expenditures	90,500	90,500	54,601	35,899
Net change in fund balances	\$ (48,700)	\$ (48,700)	122,621	\$ 171,321
Fund balances (deficit)-beginning			152,124	
Fund balances (deficit)-ending			\$ 274,745	

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Public Safety Grants Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 160,000	\$ 160,000	\$ 186,159	\$ 26,159
Use of money and property	4,000	4,000	24,602	20,602
Total revenues	164,000	164,000	210,761	46,761
EXPENDITURES				
Current:				
Public safety	239,000	269,421	103,312	166,109
Total expenditures	239,000	269,421	103,312	166,109
Net change in fund balances	\$ (75,000)	\$ (105,421)	107,449	\$ 212,870
Fund balances (deficit)-beginning			396,706	
Fund balances (deficit)-ending			\$ 504,155	

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Proposition A Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 1,008,705	\$ 1,008,705	\$ 925,475	\$ (83,230)
Intergovernmental	-	366,958	-	(366,958)
Charges for services	7,200	7,200	2,803	(4,397)
Use of money and property	3,000	3,000	43,950	40,950
Miscellaneous	17,500	17,500	-	(17,500)
Total revenues	1,036,405	1,403,363	972,228	(431,135)
EXPENDITURES				
Current:				
Culture and recreation	751,428	751,428	674,379	77,049
Capital outlay	-	407,731	-	407,731
Debt service:				
Principal	7,518	7,518	18,784	(11,266)
Interest and fiscal charges	4,455	4,455	11,131	(6,676)
Total expenditures	763,401	1,171,132	704,294	466,838
Net change in fund balances	\$ 273,004	\$ 232,231	267,934	\$ 35,703
Fund balances (deficit)-beginning			906,241	
Fund balances (deficit)-ending			\$ 1,174,175	

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Proposition C Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 836,596	\$ 836,596	\$ 767,660	\$ (68,936)
Intergovernmental	-	7,600,688	573,192	(7,027,496)
Use of money and property	3,000	3,000	120,999	117,999
Total revenues	839,596	8,440,284	1,461,851	(6,978,433)
EXPENDITURES				
Current:				
Public works	60,138	60,138	32,541	27,597
Capital outlay	750,000	9,614,568	2,904,664	6,709,904
Total expenditures	810,138	9,674,706	2,937,205	6,737,501
Net change in fund balances	\$ 29,458	\$ (1,234,422)	(1,475,354)	\$ (240,932)
Fund balances (deficit)-beginning			2,595,601	
Fund balances (deficit)-ending			\$ 1,120,247	

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
AB 2766 Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 46,000	\$ 46,000	\$ 34,582	\$ (11,418)
Use of money and property	1,500	1,500	10,862	9,362
Total revenues	47,500	47,500	45,444	(2,056)
EXPENDITURES				
Current:				
Public works	673	673	672	1
Capital outlay	275,000	275,000	2,245	272,755
Total expenditures	275,673	275,673	2,917	272,756
Net change in fund balances	\$ (228,173)	\$ (228,173)	42,527	\$ 270,700
Fund balances (deficit)-beginning			238,036	
Fund balances (deficit)-ending			\$ 280,563	

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Measure R Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 627,521	\$ 627,521	\$ 575,565	\$ (51,956)
Intergovernmental	1,840,000	2,388,534	862,255	(1,526,279)
Use of money and property	15,000	15,000	117,005	102,005
Miscellaneous	-	-	1,579	1,579
Total revenues	2,482,521	3,031,055	1,556,404	(1,474,651)
EXPENDITURES				
Current:				
Public works	60,138	60,138	73,142	(13,004)
Capital outlay	1,000,000	2,713,241	1,012,012	1,701,229
Total expenditures	1,060,138	2,773,379	1,085,154	1,688,225
Net change in fund balances	\$ 1,422,383	\$ 257,677	471,250	\$ 213,573
Fund balances (deficit)-beginning			1,365,627	
Fund balances (deficit)-ending			\$ 1,836,877	

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Measure M Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 711,190	\$ 711,190	\$ 649,936	\$ (61,254)
Intergovernmental	3,280,000	14,156,908	336,513	(13,820,395)
Use of money and property	8,000	8,000	93,593	85,593
Total revenues	3,999,190	14,876,098	1,080,042	(13,796,056)
EXPENDITURES				
Current:				
Public works	60,138	60,138	78,495	(18,357)
Capital outlay	3,880,000	16,161,116	1,791,622	14,369,494
Total expenditures	3,940,138	16,221,254	1,870,117	14,351,137
Net change in fund balances	\$ 59,052	\$ (1,345,156)	(790,075)	\$ 555,081
Fund balances (deficit)-beginning			1,838,210	
Fund balances (deficit)-ending			\$ 1,048,135	

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Measure W Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 410,000	\$ 410,000	\$ 409,929	\$ (71)
Intergovernmental	25,118,764	27,722,279	344,928	(27,377,351)
Use of money and property	1,500	1,500	106,193	104,693
Total revenues	25,530,264	28,133,779	861,050	(27,272,729)
EXPENDITURES				
Current:				
Public works	-	-	49,904	(49,904)
Capital outlay	26,348,763	28,383,201	380,173	28,003,028
Total expenditures	26,348,763	28,383,201	430,077	27,953,124
Net change in fund balances	\$ (818,499)	\$ (249,422)	430,973	\$ 680,395
Fund balances-beginning			894,593	
Restatements			-	
Fund balances (deficit)-beginning			894,593	
Fund balances (deficit)-ending			\$ 1,325,566	

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Capital Improvement Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 855,000	\$ 855,000	\$ 1,062,511	\$ 207,511
Licenses and permits	25,438	25,438	41,791	16,353
Intergovernmental	100,000	1,395,200	1,707,064	311,864
Charges for services	600,000	600,000	596,949	(3,051)
Use of money and property	-	-	2,443	2,443
Fines and forfeitures	92,000	92,000	78,284	(13,716)
Contributions	400,000	400,000	156,558	(243,442)
Total revenues	2,072,438	3,367,638	3,645,600	277,962
EXPENDITURES				
Current:				
Public works	184,456	184,456	184,456	-
Capital outlay	6,544,048	14,617,735	3,796,195	10,821,540
Debt service:				
Principal	710,000	710,000	710,000	-
Interest and fiscal charges	456,337	456,337	456,277	60
Trustee fees and bond issuance cost	1,800	1,800	1,850	(50)
Total expenditures	7,896,641	15,970,328	5,148,778	10,821,550
Excess (deficiency) of revenues over (under) expenditures	(5,824,203)	(12,602,690)	(1,503,178)	11,099,512
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,994,920	1,994,920
Total other financing sources (uses)	-	-	1,994,920	1,994,920
Net change in fund balances	\$ (5,824,203)	\$ (12,602,690)	491,742	\$ 13,094,432
Fund balances (deficit)-beginning			12,214,688	
Fund balances (deficit)-ending			\$ 12,706,430	

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Bond Construction Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ -	\$ 230,836	\$ 230,836
Total revenues	-	-	230,836	230,836
EXPENDITURES				
Current:				
Capital outlay	-	1,906,694	1,906,694	-
Total expenditures	-	1,906,694	1,906,694	-
Net change in fund balances	\$ -	\$ (1,906,694)	(1,675,858)	\$ 230,836
Fund balances (deficit)-beginning			1,871,010	
Fund balances (deficit)-ending			\$ 195,152	

CITY OF MANHATTAN BEACH, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Underground Assessment District Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ -	\$ 121,150	\$ 121,150
Total revenues	<u>-</u>	<u>-</u>	<u>121,150</u>	<u>121,150</u>
EXPENDITURES				
Current:				
Public works	360,000	1,861,364	699,196	1,162,168
Total expenditures	<u>360,000</u>	<u>1,861,364</u>	<u>699,196</u>	<u>1,162,168</u>
Net change in fund balances	<u>\$ (360,000)</u>	<u>\$ (1,861,364)</u>	<u>(578,046)</u>	<u>\$ 1,283,318</u>
Fund balances (deficit)-beginning			2,022,739	
Fund balances (deficit)-ending			<u>\$ 1,444,693</u>	

NONMAJOR ENTERPRISE FUNDS

The Enterprise Funds are used to account for City operations that are financed and operated in a manner similar to private business enterprises. The intent in using this type of fund is to see that the costs of providing these services to the general public on a continuing basis are financed or recovered primarily through user charges.

Storm Drain Fund is used to account for the maintenance and improvement of the City's storm drains. Revenues are derived from a storm drain assessment to property owners, which are based on size and use of the parcel, and collected through the property tax rolls.

County Parking Lot Fund is used to account for the operation and maintenance of parking lots that are owned by Los Angeles County but leased to the City. Proceeds from the meters and parking permits are divided 55% to the county, with an annual guaranteed minimum of \$130,000 and 45% to the City.

State Pier and Parking Lot Fund is used to account for the operation and maintenance of the Manhattan Beach Pier, comfort station and four adjacent parking lots. These properties are owned by the State of California but controlled by the City through an operating agreement.

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Statement of Net Position
Other Enterprise Funds
June 30, 2024

	Storm Drain	County Parking Lot	State Pier and Parking Lot	Total Other Enterprise Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 5,112,168	\$ 485,972	\$ 1,794,811	\$ 7,392,951
Receivables:				
Accounts	6,916	-	-	6,916
Total current assets	5,119,084	485,972	1,794,811	7,399,867
Noncurrent:				
Capital assets, net	5,683,757	-	-	5,683,757
Total noncurrent assets	5,683,757	-	-	5,683,757
Total assets	10,802,841	485,972	1,794,811	13,083,624
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related	33,136	19,041	18,925	71,102
OPEB-related	23,681	47,363	164,739	235,783
Total deferred outflows of resources	56,817	66,404	183,664	306,885
LIABILITIES				
Current liabilities:				
Accounts payable	196,789	484,443	468,033	1,149,265
Accrued liabilities	14,805	-	72,324	87,129
Retention payable	-	-	-	-
Deposits payable	105,862	-	-	105,862
Bonds	4,103	1,529	1,529	7,161
Total current liabilities	321,559	485,972	541,886	1,349,417
Noncurrent liabilities:				
Advances from other funds	-	-	675,000	675,000
Bonds	91,169	33,972	33,971	159,112
Net pension liability	28,954	16,137	16,137	61,228
Net OPEB liability	11,561	23,122	80,423	115,106
Total noncurrent liabilities	131,684	73,231	805,531	1,010,446
Total liabilities	453,243	559,203	1,347,417	2,359,863
DEFERRED INFLOWS OF RESOURCES				
Pension-related	1,527	851	851	3,229
OPEB-related	18,799	37,599	130,779	187,177
Total deferred inflows of resources	20,326	38,450	131,630	190,406
NET POSITION				
Net investment in capital assets	5,683,757	-	-	5,683,757
Unrestricted	4,702,332	(45,277)	499,428	5,156,483
Total net position	\$ 10,386,089	\$ (45,277)	\$ 499,428	\$ 10,840,240

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Statement of Revenues, Expenses and
Changes in Net Position
Other Enterprise Funds
For the Year Ended June 30, 2024

	Storm Drain	County Parking Lot	State Pier and Parking Lot	Total Other Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 356,254	\$ 1,022,570	\$ 775,897	\$ 2,154,721
Miscellaneous	1,687	-	-	1,687
Total operating revenues	357,941	1,022,570	775,897	2,156,408
OPERATING EXPENSES				
Salaries	155,327	36,587	35,143	227,057
Employee benefits	47,311	29,007	61,838	138,156
Contract for professional services	526,457	49,725	234,437	810,619
Materials and services	144,363	3,857	1,571,385	1,719,605
Utilities	53,874	4,529	16,729	75,132
Administrative service charges	194,422	37,356	44,172	275,950
Leases and rents	-	562,412	-	562,412
Depreciation/amortization	119,814	-	-	119,814
Total operating expenses	1,241,568	723,473	1,963,704	3,928,745
Operating income (loss)	(883,627)	299,097	(1,187,807)	(1,772,337)
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	144,938	-	112,249	257,187
Interest expense	(2,410)	(898)	(898)	(4,206)
Total nonoperating revenues (expenses)	142,528	(898)	111,351	252,981
Income (loss) before capital contributions and transfers	(741,099)	298,199	(1,076,456)	(1,519,356)
Transfers in	2,376,698	-	-	2,376,698
Transfers out	(23,229)	(314,422)	(57,937)	(395,588)
Change in net position	1,612,370	(16,223)	(1,134,393)	461,754
Net position-beginning	6,600,677	(29,054)	1,633,821	8,205,444
Restatements	2,173,042	-	-	2,173,042
Net position-beginning (as restated)	8,773,719	(29,054)	1,633,821	10,378,486
Net position-ending	\$ 10,386,089	\$ (45,277)	\$ 499,428	\$ 10,840,240

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Statement of Cash Flows
Other Enterprise Funds
For the Year Ended June 30, 2024

	Business-Type Activities			
	Storm Drain	County Parking Lot	State Pier and Parking Lot	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 428,763	\$ 1,022,570	\$ 775,897	\$ 2,227,230
Payments to suppliers and service providers	(809,417)	(661,550)	(1,399,675)	(2,870,642)
Payments to employees for salaries and benefits	(184,268)	(47,837)	(46,002)	(278,107)
Net cash provided by (used for) operating activities	(564,922)	313,183	(669,780)	(921,519)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	2,376,698	-	-	2,376,698
Transfers to other funds	(23,229)	(314,422)	(57,937)	(395,588)
Principal paid on non-capital debt	(4,067)	(1,516)	(1,515)	(7,098)
Interest paid on on-capital debt	(2,410)	(898)	(898)	(4,206)
Payments to other funds on interfund borrowings	-	-	(225,000)	(225,000)
Net cash provided by (used for) noncapital financing activities	2,346,992	(316,836)	(285,350)	1,744,806
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(78,568)	-	-	(78,568)
Net cash provided by (used for) capital and related financing activities	(78,568)	-	-	(78,568)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	144,938	-	112,249	257,187
Net cash provided by (used for) investing activities	144,938	-	112,249	257,187
Net increase (decrease) in cash and cash equivalents	1,848,440	(3,653)	(842,881)	1,001,906
Cash and cash equivalents-beginning	3,263,728	489,625	2,637,692	6,391,045
Cash and cash equivalents-ending	\$ 5,112,168	\$ 485,972	\$ 1,794,811	\$ 7,392,951
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION				
Cash and investments	\$ 5,112,168	\$ 485,972	\$ 1,794,811	\$ 7,392,951
Total cash and cash equivalents	\$ 5,112,168	\$ 485,972	\$ 1,794,811	\$ 7,392,951
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating income (loss)	\$ (883,627)	\$ 299,097	\$ (1,187,807)	\$ (1,772,337)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	119,814	-	-	119,814
(Increase) decrease in accounts receivable	91,117	-	-	91,117
Increase (decrease) in accounts payable	95,660	(2,444)	397,644	490,860
Increase (decrease) in accrued liabilities	14,039	(1,227)	69,404	82,216
Increase (decrease) in deposits payable	(20,295)	-	-	(20,295)
Increase (decrease) in net pension liability and related items	14,100	5,317	5,434	24,851
Increase (decrease) in net OPEB liability and related items	4,270	12,440	45,545	62,255
Total adjustments	318,705	14,086	518,027	850,818
Net cash provided by (used for) operating activities	\$ (564,922)	\$ 313,183	\$ (669,780)	\$ (921,519)

INTERNAL SERVICE FUNDS

Internal Service Funds have been established to finance, administer and account for the provision of goods and services to all funds and all departments on a cost-reimbursement basis.

Insurance Reserve Fund is used to account for the City's self-insured workers' compensation and general liability programs. The fund collects premiums from departments based on claims history.

Information Systems Fund is used to account for the operation, maintenance and replacement of the City's Information Systems including the citywide network and related hardware and software. Revenues are generated from charges to departments based on the number of PCs in use.

Fleet Management Fund is used to account for the operation, maintenance and replacement of City vehicles. Revenues are generated from vehicle rental charges to departments based upon the number, type and age of vehicles utilized.

Building Maintenance and Operations Fund is used to account for the operation and maintenance of certain City facilities. Revenues are generated by charges to user departments based on the number of personnel in the department.

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Insurance Reserve	Information Systems	Fleet Management	Building Maintenance and Operations	Total Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 19,771,861	\$ 1,414,092	\$ 3,649,150	\$ 220,808	\$ 25,055,911
Receivables:					
Accounts	52	-	11,567	-	11,619
Inventories	-	-	-	105,421	105,421
Total current assets	19,771,913	1,414,092	3,660,717	326,229	25,172,951
Noncurrent:					
Capital assets, net	-	47,532	5,924,765	22,525	5,994,822
Total noncurrent assets	-	47,532	5,924,765	22,525	5,994,822
Total assets	19,771,913	1,461,624	9,585,482	348,754	31,167,773
DEFERRED OUTFLOWS OF RESOURCES					
Pension-related	247,676	672,086	211,625	272,713	1,404,100
OPEB-related	82,370	109,140	8,237	8,237	207,984
Total deferred outflows of resources	330,046	781,226	219,862	280,950	1,612,084
LIABILITIES					
Current liabilities:					
Accounts payable	16,795	133,595	530,381	194,525	875,296
Accrued interest	-	1,887	415	-	2,302
Worker's compensation claims	9,059,914	-	-	-	9,059,914
Claims and judgments	3,083,394	-	-	-	3,083,394
Leases	-	-	-	22,975	22,975
Subscriptions	-	33,941	7,187	-	41,128
Bonds	21,578	67,325	19,259	26,283	134,445
Total current liabilities	12,181,681	236,748	557,242	243,783	13,219,454
Noncurrent liabilities:					
Worker's compensation claims	6,819,500	-	-	-	6,819,500
Claims and judgments	755,000	-	-	-	755,000
Bonds	479,423	1,495,835	427,908	583,954	2,987,120
Net pension liability	218,075	571,917	191,197	235,125	1,216,314
Net OPEB liability	40,212	53,280	4,021	4,021	101,534
Total noncurrent liabilities	8,312,210	2,121,032	623,126	823,100	11,879,468
Total liabilities	20,493,891	2,357,780	1,180,368	1,066,883	25,098,922
DEFERRED INFLOWS OF RESOURCES					
Pension-related	11,504	30,171	10,086	12,404	64,165
OPEB-related	65,389	86,641	6,539	6,539	165,108
Total deferred inflows of resources	76,893	116,812	16,625	18,943	229,273
NET POSITION					
Net investment in capital assets	-	13,591	5,917,578	-	5,931,169
Unrestricted	(468,825)	(245,333)	2,690,773	(456,122)	1,520,493
Total net position	\$ (468,825)	\$ (231,742)	\$ 8,608,351	\$ (456,122)	\$ 7,451,662

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2024

	Insurance Reserve	Information Systems	Fleet Management	Building Maintenance and Operations	Total Internal Service Funds
OPERATING REVENUES					
Interdepartmental charges for services	\$ 9,318,917	\$ 4,404,765	\$ 2,763,599	\$ 2,767,639	\$ 19,254,920
Miscellaneous	-	-	36,850	-	36,850
Total operating revenues	9,318,917	4,404,765	2,800,449	2,767,639	19,291,770
OPERATING EXPENSES					
Salaries	380,558	1,304,246	282,458	708,339	2,675,601
Employee benefits	190,354	508,944	179,838	261,394	1,140,530
Contract for professional services	224,232	899,551	321,893	877,189	2,322,865
Materials and services	670,423	1,556,142	758,414	750,306	3,735,285
Utilities	99	604	-	131,110	131,813
Claims	8,496,064	-	-	-	8,496,064
Depreciation/amortization	-	43,673	968,004	48,565	1,060,242
Total operating expenses	9,961,730	4,313,160	2,510,607	2,776,903	19,562,400
Operating income (loss)	(642,813)	91,605	289,842	(9,264)	(270,630)
NONOPERATING REVENUES (EXPENSES)					
Interest and fiscal charges	(12,671)	(42,255)	(11,963)	(15,434)	(82,323)
Gain (loss) on disposal of capital assets	-	-	(97,361)	-	(97,361)
Total nonoperating revenues (expenses)	(12,671)	(42,255)	(109,324)	(15,434)	(179,684)
Income (loss) before capital contributions and transfers	(655,484)	49,350	180,518	(24,698)	(450,314)
Transfers in	-	-	1,011,741	-	1,011,741
Transfers out	-	(500,000)	-	(627)	(500,627)
Change in net position	(655,484)	(450,650)	1,192,259	(25,325)	60,800
Net position-beginning	186,659	218,908	7,416,092	(430,797)	7,390,862
Net position-ending	\$ (468,825)	\$ (231,742)	\$ 8,608,351	\$ (456,122)	\$ 7,451,662

CITY OF MANHATTAN BEACH, CALIFORNIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	Insurance Reserve	Information Systems	Fleet Management	Building Maintenance and Operations	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from interfund charges	\$ 9,318,865	\$ 4,404,765	\$ 2,788,882	\$ 2,767,639	\$ 19,280,151
Payments to suppliers and service providers	(886,346)	(2,396,399)	(574,411)	(1,658,752)	(5,515,908)
Payments to employees for salaries and benefits	(473,111)	(1,605,577)	(401,119)	(901,535)	(3,381,342)
Other receipts (payments)	(6,905,241)	-	-	-	(6,905,241)
Net cash provided by (used for) operating activities	1,054,167	402,789	1,813,352	207,352	3,477,660
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	-	-	1,011,741	-	1,011,741
Transfers to other funds	-	(500,000)	-	(627)	(500,627)
Principal paid on noncapital debt	(21,382)	(66,712)	(19,086)	(26,044)	(133,224)
Interest paid on noncapital debt	(12,671)	(42,255)	(11,309)	(15,434)	(81,669)
Net cash provided by (used for) noncapital financing activities	(34,053)	(608,967)	981,346	(42,105)	296,221
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	-	-	(2,172,813)	-	(2,172,813)
Principal paid on capital debt	-	(32,914)	(29,947)	(48,975)	(111,836)
Interest paid on capital debt	-	635	(652)	-	(17)
Proceeds from sales of assets	-	-	(652,792)	-	(652,792)
Net cash provided by (used for) capital and related financing activities	-	(32,279)	(2,856,204)	(48,975)	(2,937,458)
Net increase (decrease) in cash and cash equivalents	1,020,114	(238,457)	(61,506)	116,272	836,423
Cash and cash equivalents-beginning	18,751,747	1,652,549	3,710,656	104,536	24,219,488
Cash and cash equivalents-ending	\$ 19,771,861	\$ 1,414,092	\$ 3,649,150	\$ 220,808	\$ 25,055,911
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating income (loss)	\$ (642,813)	\$ 91,605	\$ 289,842	\$ (9,264)	\$ (270,630)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization expense	-	43,673	968,004	48,565	1,060,242
(Increase) decrease in accounts receivable	(52)	-	(11,567)	-	(11,619)
(Increase) decrease in inventories	-	-	-	(16,180)	(16,180)
Increase (decrease) in accounts payable	8,408	59,898	505,896	116,033	690,235
Increase (decrease) in claims and judgments	1,590,823	-	-	-	1,590,823
Increase (decrease) in pension and related items	82,139	194,263	68,028	77,343	421,773
Increase (decrease) in OPEB and related items	15,662	13,350	(6,851)	(9,145)	13,016
Total adjustments	1,696,980	311,184	1,523,510	216,616	\$ 3,748,290
Net cash provided by (used for) operating activities	\$ 1,054,167	\$ 402,789	\$ 1,813,352	\$ 207,352	\$ 3,477,660

STATISTICAL SECTION





Statistical Section (Unaudited)

This part of the City's Statistical's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.

Operating & Other Information

These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.

Exhibits

A-2 to A-5

A-6 to A-14

A-15 to A-18

A-19 to A-21

A-22 to A-25

Sources: *Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year. The city implemented Statement 34 in FY2002-2003; schedules presenting government-wide information include information beginning in that year. Where ever possible and practical the City provided historical data as far back as ten years.*



Statistical Section

Financial Trends

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

CITY OF MANHATTAN BEACH, CALIFORNIA
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities					
Net Investment in capital assets	\$ 101,159,813	\$ 102,028,495	\$ 103,345,895	\$ 103,659,026	\$ 111,406,609
Restricted:					
Debt Service & Restricted Cash	32,566	12,586	-	-	-
Special Revenue Funds	10,186,991	10,784,745	11,329,103	9,897,701	7,004,222
Post-Employment Benefits	-	-	-	763,621	1,068,946
Total Restricted	10,219,557	10,797,331	11,329,103	10,661,322	8,073,168
Unrestricted (1,2,3)	(17,546,716)	(15,597,553)	(16,091,037)	(14,862,095)	(19,756,174)
Total governmental activities net position	<u>\$ 93,832,654</u>	<u>\$ 97,228,273</u>	<u>\$ 98,583,961</u>	<u>\$ 99,458,253</u>	<u>\$ 99,723,603</u>
Business-type activities					
Net Investment in capital assets	\$ 35,610,816	\$ 40,621,092	\$ 42,329,262	\$ 43,188,261	\$ 43,807,896
Restricted:					
Business Improvement district	546,317	541,863	552,266	553,653	571,598
Debt Service & Restricted Cash	204,856	-	-	-	-
Total Restricted	751,173	541,863	552,266	553,653	571,598
Unrestricted	36,006,212	38,979,894	43,669,078	48,387,171	56,303,666
Total business-type activities net position	<u>\$ 72,368,201</u>	<u>\$ 80,142,849</u>	<u>\$ 86,550,606</u>	<u>\$ 92,129,085</u>	<u>\$ 100,683,160</u>
Primary government					
Net Investment in capital assets	\$ 136,770,629	\$ 142,649,587	\$ 145,675,157	\$ 146,847,287	\$ 155,214,505
Restricted:					
Business Improvement district	546,317	541,863	552,266	553,653	571,598
Debt Service & Restricted Cash	237,422	12,586	-	-	-
Special Revenue Funds	10,186,991	10,784,745	11,329,103	9,897,701	7,004,222
Post-Employment Benefits	-	-	-	763,621	1,068,946
Total Restricted	783,739	554,449	552,266	11,214,975	8,644,766
Unrestricted	18,459,496	23,382,341	27,578,041	33,525,076	36,547,492
Total primary government net position	<u>\$ 156,013,864</u>	<u>\$ 166,586,377</u>	<u>\$ 173,805,464</u>	<u>\$ 191,587,338</u>	<u>\$ 200,406,763</u>

(1) Starting in Fiscal Year ending June 30, 2015, activities reflect pension expense in accordance with GASB 68.

(2) Starting in Fiscal Year ending June 30, 2018, activities reflect OPEB pronouncements in accordance with GASB 75.

(3) Starting in Fiscal Year ending June 30, 2022, activities reflect pronouncements in accordance with GASB 87.

CITY OF MANHATTAN BEACH, CALIFORNIA
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit A-2

	Fiscal Year Ending				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental activities					
Net Investment in capital assets	\$ 113,205,816	\$ 110,223,781	\$ 105,850,112	\$ 114,823,240	\$ 126,578,644
Restricted:					
Debt Service & Restricted Cash	-	-	1,113,451	1,102,123	1,083,533
Special Revenue Funds	20,404,297	11,034,877	11,872,909	1,693,107	13,308,020
Post-Employment Benefits	1,365,844	1,820,529	1,603,036	1,721,763	3,599,985
Total Restricted	21,770,141	12,855,406	14,589,396	4,516,993	17,991,538
Unrestricted (1,2,3)	(29,141,204)	(31,912,766)	35,958,046	1,734,171	(32,011,264)
Total governmental activities net position	<u>\$ 105,834,753</u>	<u>\$ 91,166,421</u>	<u>\$ 156,397,554</u>	<u>\$ 121,074,404</u>	<u>\$ 112,558,918</u>
Business-type activities					
Net Investment in capital assets	\$ 47,574,700	\$ 59,896,315	\$ 75,545,929	\$ 89,903,527	\$ 95,964,968
Restricted:					
Business Improvement district	508,505	420,300	390,867	373,149	362,020
Debt Service & Restricted Cash	-	-	-	-	-
Total Restricted	508,505	420,300	390,867	373,149	362,020
Unrestricted	60,652,282	51,521,530	41,343,066	34,014,426	36,046,848
Total business-type activities net position	<u>\$ 108,735,487</u>	<u>\$ 111,838,145</u>	<u>\$ 117,279,862</u>	<u>\$ 124,291,102</u>	<u>\$ 132,373,836</u>
Primary government					
Net Investment in capital assets	\$ 160,780,516	\$ 170,120,096	\$ 181,396,041	\$ 204,726,767	\$ 222,543,612
Restricted:					
Business Improvement district	508,505	420,300	390,867	373,149	362,020
Debt Service & Restricted Cash	-	-	1,113,451	1,102,123	1,083,533
Special Revenue Funds	20,404,297	11,034,877	11,872,909	1,693,107	13,308,020
Post-Employment Benefits	1,365,844	1,820,529	1,603,036	1,721,763	3,599,985
Total Restricted	22,278,646	13,275,706	14,980,263	4,890,142	18,353,558
Unrestricted	31,511,078	19,608,764	77,301,112	35,748,597	4,035,584
Total primary government net position	<u>\$ 214,570,240</u>	<u>\$ 203,004,566</u>	<u>\$ 273,677,416</u>	<u>\$ 245,365,506</u>	<u>\$ 244,932,754</u>

(1) Starting in Fiscal Year ending June 30, 2020

(2) Starting in Fiscal Year ending June 30, 2021

(3) Starting in Fiscal Year ending June 30, 2022

CITY OF MANHATTAN BEACH, CALIFORNIA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Expenses					
Governmental activities:					
General government	\$ 12,276,294	\$ 13,318,679	\$ 13,812,252	\$ 15,510,329	\$ 15,887,856
Public Safety	37,098,767	37,458,469	41,381,149	43,350,463	46,314,516
Culture and recreation	7,707,656	8,476,953	9,020,080	9,895,447	9,922,148
Public Works	9,084,861	8,396,503	9,572,971	10,188,714	10,805,410
Interest on long-term debt	428,406	416,551	616,179	465,472	439,858
Total governmental activities expenses	66,595,984	68,067,155	74,402,631	79,410,425	83,369,788
Business-type activities:					
Water	9,133,069	9,851,136	10,729,445	11,305,635	12,141,933
Stormwater	778,084	1,117,244	1,005,835	1,657,886	1,052,389
Wastewater	1,679,545	1,383,922	1,430,253	1,454,510	1,754,562
Refuse	4,011,830	4,110,197	3,999,131	4,223,690	4,109,233
Parking	3,160,043	4,000,175	3,785,249	4,463,751	3,561,198
Total business-type activities expenses	18,762,571	20,462,674	20,949,913	23,105,472	22,619,315
Total primary government expenses	\$ 85,358,555	\$ 88,529,829	\$ 95,352,544	\$ 102,515,897	\$ 105,989,103
Program Revenues					
Governmental activities:					
Charges for services:					
General Government	\$ 5,814,648	\$ 5,859,027	\$ 7,099,310	\$ 4,198,331	\$ 6,495,480
Public Safety	4,309,976	4,182,052	4,173,082	4,586,742	3,538,806
Culture and recreation	3,034,335	3,135,249	3,420,580	3,731,563	3,757,047
Public works	4,074,858	4,253,809	5,293,202	6,831,671	5,540,348
Operating grants and contributions	1,739,455	1,587,534	2,304,536	3,253,902	2,190,097
Capital grants and contributions	2,724,621	2,316,956	1,850,921	2,461,094	4,046,717
Total governmental activities program revenues	21,697,893	21,334,627	24,141,631	25,063,303	25,568,495
Business-type activities:					
Charges for services:					
Water	16,101,667	14,514,443	14,670,316	15,527,415	15,424,972
Stormwater	353,616	345,736	348,880	349,888	350,106
Wastewater	3,562,456	3,281,179	3,293,933	3,417,772	3,462,973
Refuse	4,063,886	4,242,316	4,205,361	4,306,957	4,131,074
Parking	3,899,746	3,828,054	3,715,624	3,862,585	4,439,452
Operating grants and contributions	10,020	19,611	9,353	331,705	117,833
Capital grants and contributions	-	850,000	-	-	-
Total business-type activities program revenues	27,991,391	27,081,339	26,243,467	27,796,322	27,926,410
Total primary government program revenues	\$ 49,689,284	\$ 48,415,966	\$ 50,385,098	\$ 52,859,625	\$ 53,494,905

Source: City of Manhattan Beach Finance Department

Fiscal Year Ending				
<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 17,765,606	\$ 17,133,923	\$ 14,917,102	\$ 18,744,766	\$ 20,658,755
49,316,528	49,746,507	(8,739,663)	93,202,238	68,071,122
8,580,759	7,966,453	8,399,151	10,217,475	11,262,864
18,749,101	26,157,349	17,978,786	16,215,433	16,407,350
415,642	678,619	2,877,188	2,613,946	2,515,534
94,827,636	101,682,851	35,432,564	140,993,858	118,915,625
11,996,331	13,820,298	12,575,813	11,578,290	14,223,442
1,122,871	1,451,533	1,780,079	1,400,809	1,243,978
1,780,379	1,845,203	1,959,843	2,446,297	2,798,023
4,241,681	-	-	-	-
3,471,329	4,557,379	4,119,341	3,954,717	5,486,349
22,612,591	21,674,413	20,435,076	19,380,113	23,751,792
\$ 117,440,227	\$ 123,357,264	\$ 55,867,640	\$ 160,373,971	\$ 142,667,417
\$ 5,638,942	\$ 9,555,217	\$ 8,737,206	\$ 4,682,620	\$ 5,000,111
3,418,760	3,497,543	4,145,094	4,479,503	4,623,538
3,164,582	2,104,003	3,675,974	4,510,778	4,615,812
4,752,704	5,819,113	7,112,774	6,384,078	7,242,420
2,800,719	813,280	1,578,282	4,778,148	2,017,113
22,682,418	7,465,878	6,356,153	3,111,998	3,192,377
42,458,125	29,255,034	31,605,483	27,947,125	26,691,371
15,348,975	15,705,887	15,108,592	14,376,165	15,770,377
343,406	308,133	336,494	765,627	357,941
3,599,946	3,592,183	3,556,257	3,274,511	3,619,564
4,474,113	-	-	-	-
4,326,827	5,458,430	6,784,740	6,196,956	6,172,819
23,090	-	-	-	103,860
-	-	-	-	-
28,116,357	25,064,633	25,786,083	24,613,259	26,024,561
\$ 70,574,482	\$ 54,319,667	\$ 57,391,566	\$ 52,560,384	\$ 52,715,932

CITY OF MANHATTAN BEACH, CALIFORNIA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending				
	2015	2016	2017	2018	2019
Net (Expense)/Revenue					
Governmental activities (1,2)	\$ (44,898,091)	\$ (46,732,528)	\$ (50,261,000)	\$ (54,347,122)	\$ (57,801,293)
Business-type activities (1,2)	9,228,820	6,618,665	5,293,554	4,690,850	5,307,095
Total primary government net expense	<u>\$ (35,669,271)</u>	<u>\$ (40,113,863)</u>	<u>\$ (44,967,446)</u>	<u>\$ (49,656,272)</u>	<u>\$ (52,494,198)</u>
General Revenues and Other Changes					
Governmental activities:					
Taxes					
Property taxes	\$ 24,435,184	\$ 26,344,276	\$ 28,215,709	\$ 30,318,225	\$ 32,107,341
Sales taxes	9,268,657	8,826,767	9,088,502	9,083,389	9,734,444
Transient occupancy tax	4,809,421	5,139,425	5,201,518	4,429,080	5,140,858
Motor vehicle in lieu tax	15,099	14,430	15,812	18,680	17,276
Business license tax	3,376,113	3,475,792	3,658,194	3,718,418	4,053,020
Franchise taxes	1,539,453	1,439,957	1,256,125	1,262,037	1,234,752
Real estate transfer taxes	720,826	850,974	776,298	788,203	1,013,516
Rental income	2,751,302	3,028,151	3,299,373	2,402,463	3,394,762
Investment earnings	433,200	841,905	195,755	413,405	2,352,641
Other	111,382	809,976	724,240	10,345	27,943
Special Items (3)					
Transfers	250,324	(643,506)	(814,838)	(735,737)	(1,009,910)
Total governmental activities	<u>47,710,961</u>	<u>50,128,147</u>	<u>51,616,688</u>	<u>51,708,508</u>	<u>58,066,643</u>
Business-type activities:					
Investment earnings	273,944	479,475	70,885	224,471	2,237,070
Transfers	(250,324)	643,506	814,838	735,737	1,009,910
Special Items (3)	-	-	-	-	-
Other	74,643	60,678	258,030	2,580	-
Total business-type activities	<u>98,263</u>	<u>1,183,659</u>	<u>1,143,753</u>	<u>962,788</u>	<u>3,246,980</u>
Total primary government	<u>\$ 47,809,224</u>	<u>\$ 51,311,806</u>	<u>\$ 52,760,441</u>	<u>\$ 52,671,296</u>	<u>\$ 61,313,623</u>
Change in Net Position					
Governmental activities	\$ 2,812,870	\$ 3,395,619	\$ 1,355,688	\$ (2,638,614)	\$ 265,350
Business-type activities	<u>9,327,083</u>	<u>7,802,324</u>	<u>6,437,307</u>	<u>5,653,638</u>	<u>8,554,075</u>
Total primary government	<u>\$ 12,139,953</u>	<u>\$ 11,197,943</u>	<u>\$ 7,792,995</u>	<u>\$ 3,015,024</u>	<u>\$ 8,819,425</u>

(1) Starting in Fiscal Year ending June 30, 2015, activities reflect pension expense in accordance with GASB 68

(2) Starting in Fiscal Year ending June 30, 2018, activities reflect OPEB pronouncements in accordance with GASB 75

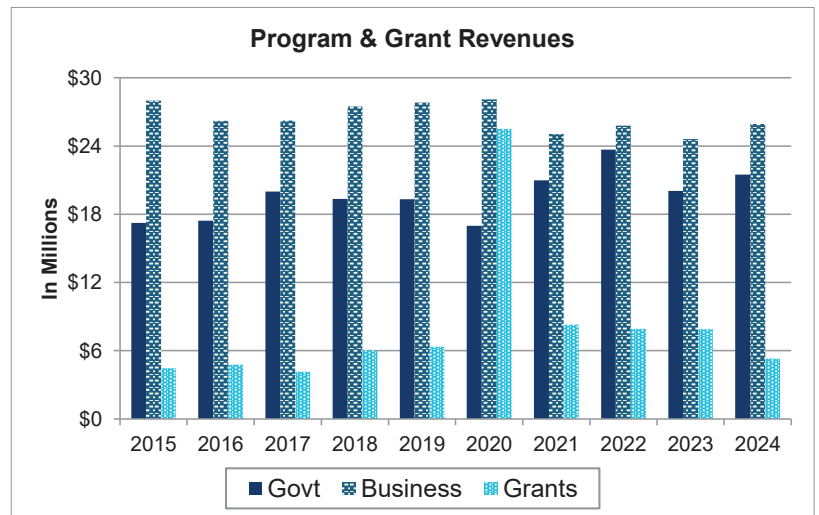
(3) Special Items in FY 2021 recorded the transfer of net pension and OPEB liabilities and related outflows/inflows due to the closure of the Refuse fund.

Exhibit A-3
Continued

Fiscal Year Ending				
<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ (52,369,511)	\$ (72,427,817)	\$ (3,827,081)	\$ (113,046,733)	\$ (92,224,254)
5,503,766	3,390,220	5,351,007	5,233,146	2,272,769
<u>\$ (46,865,745)</u>	<u>\$ (69,037,597)</u>	<u>\$ 1,523,926</u>	<u>\$ (107,813,587)</u>	<u>\$ (89,951,485)</u>
\$ 34,002,017	\$ 37,598,821	\$ 39,491,986	\$ 41,836,587	\$ 43,851,831
8,817,192	10,088,430	13,217,943	14,267,013	13,985,150
4,203,026	2,802,514	6,464,049	7,584,021	9,797,116
28,431	-	-	-	-
3,652,228	3,755,555	5,175,626	4,935,627	5,422,317
1,167,345	1,189,086	1,217,755	1,296,708	1,435,830
1,102,815	1,842,571	1,839,059	1,167,944	1,231,040
2,815,741	2,339,670	3,073,065	3,786,275	4,538,328
2,683,390	141,900	(1,922,527)	1,043,766	3,374,272
42,997	1,440,844	2,152,318	1,164,833	734,724
	(148,434)	-	-	-
(34,521)	421,631	(1,651,060)	(547,908)	(1,304,507)
<u>58,480,661</u>	<u>61,472,588</u>	<u>69,058,214</u>	<u>76,534,866</u>	<u>83,066,101</u>
2,554,232	(21,070)	(1,458,512)	406,776	2,311,719
34,521	(421,631)	1,651,060	547,908	1,304,507
-	148,434	-	-	-
76,430	55,826	396,132	-	-
<u>2,665,183</u>	<u>(238,441)</u>	<u>588,680</u>	<u>954,684</u>	<u>3,616,226</u>
<u>\$ 61,145,844</u>	<u>\$ 61,234,147</u>	<u>\$ 69,646,894</u>	<u>\$ 77,489,550</u>	<u>\$ 86,682,327</u>
\$ 6,111,150	\$ (10,955,229)	\$ 65,231,133	\$ (36,511,867)	\$ (9,158,153)
<u>8,168,949</u>	<u>3,151,779</u>	<u>5,939,687</u>	<u>6,187,830</u>	<u>5,888,995</u>
<u>\$ 14,280,099</u>	<u>\$ (7,803,450)</u>	<u>\$ 71,170,820</u>	<u>\$ (30,324,037)</u>	<u>\$ (3,269,158)</u>

CITY OF MANHATTAN BEACH, CALIFORNIA
Program Revenues by Function/Program,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
Program Revenues					
Governmental activities:					
Charges for services:					
General Government	\$ 5,814,648	\$ 5,859,027	\$ 7,099,310	\$ 4,198,331	\$ 6,495,480
Public Safety	4,309,976	4,182,052	4,173,082	4,586,742	3,538,806
Culture and recreation	3,034,335	3,135,249	3,420,580	3,731,563	3,757,047
Public works	4,074,858	4,253,809	5,293,202	6,831,671	5,540,348
Operating grants and contributions	1,739,455	1,587,534	2,304,536	3,253,902	2,190,097
Capital grants and contributions	2,724,621	2,316,956	1,850,921	2,461,094	4,046,717
Total governmental activities program revenues	21,697,893	21,334,627	24,141,631	25,063,303	25,568,495
Business-type activities:					
Charges for services:					
Water	16,101,667	14,514,443	14,670,316	15,527,415	15,424,972
Stormwater	353,616	345,736	348,880	349,888	350,106
Wastewater	3,562,456	3,281,179	3,293,933	3,417,772	3,462,973
Refuse	4,063,886	4,242,316	4,205,361	4,306,957	4,131,074
Parking	3,899,746	3,828,054	3,715,624	3,862,585	4,439,452
Operating grants and contributions	10,020	19,611	9,353	331,705	117,833
Capital grants and contributions	-	850,000	-	-	-
Total business-type activities program revenues	27,991,391	27,081,339	26,243,467	27,796,322	27,926,410
Total primary government program revenues	\$ 49,689,284	\$ 48,415,966	\$ 50,385,098	\$ 52,859,625	\$ 53,494,905



Source: City of Manhattan Beach Finance Department

CITY OF MANHATTAN BEACH, CALIFORNIA
Program Revenues by Function/Program,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit A-4

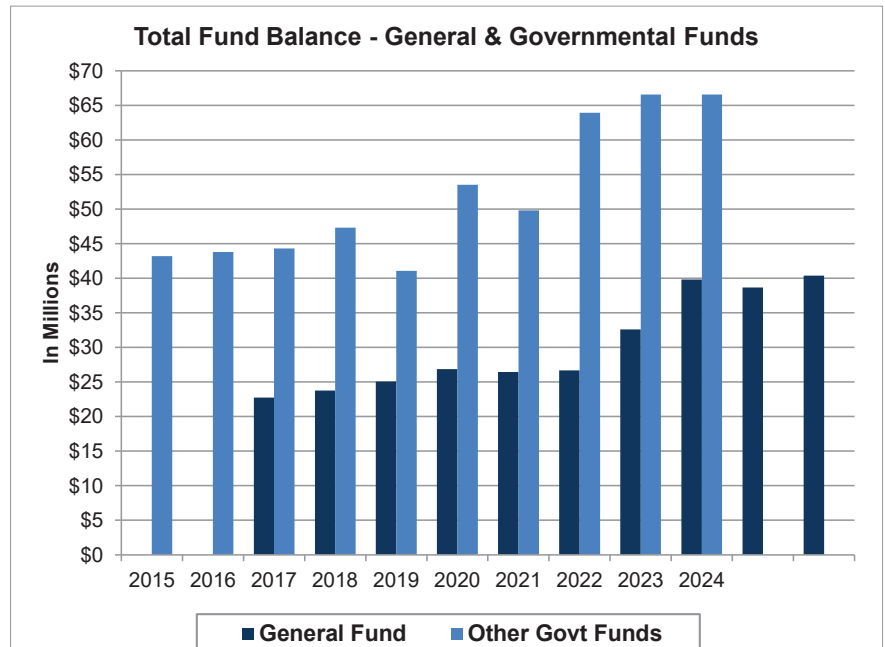
	Fiscal Year				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General Government	\$ 5,638,942	\$ 9,555,217	\$ 8,737,206	\$ 4,682,620	\$ 5,000,111
Public Safety	3,418,760	3,497,543	4,145,094	4,479,503	4,623,538
Culture and recreation	3,164,582	2,104,003	3,675,974	4,510,778	4,615,812
Public works	4,752,704	5,819,113	7,112,774	6,384,078	7,242,420
Operating grants and contributions	2,800,719	813,280	1,578,282	4,778,148	2,017,113
Capital grants and contributions	22,682,418	7,465,878	6,356,153	3,111,998	3,192,377
Total governmental activities program revenues	42,458,125	29,255,034	31,605,483	27,947,125	26,691,371
Business-type activities:					
Charges for services:					
Water	15,348,975	15,705,887	15,108,592	14,376,165	15,770,377
Stormwater	343,406	308,133	336,494	765,627	357,941
Wastewater	3,599,946	3,592,183	3,556,257	3,274,511	3,619,564
Refuse	4,474,113	-	-	-	-
Parking	4,326,827	5,458,430	6,784,740	6,196,956	6,172,819
Operating grants and contributions	23,090	-	-	-	103,860
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	28,116,357	25,064,633	25,786,083	24,613,259	26,024,561
Total primary government program revenues	\$ 70,574,482	\$ 54,319,667	\$ 57,391,566	\$ 52,560,384	\$ 52,715,932

Source: City of Manhattan Beach Finance Department

Source: City of Manhattan Beach Finance department historical ACFRs

CITY OF MANHATTAN BEACH, CALIFORNIA
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending				
	2015	2016	2017	2018	2019
General Fund					
Nonspendable					
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 7,167
Prepaid costs	46,080	82,138	133,786	753,765	684,023
Notes and loans	1,649,129	3,771,864	1,546,266	1,494,268	-
Leases receivable	-	-	-	-	-
Restricted					
Post-employment benefits	-	-	-	763,621	1,068,946
Debt service & restricted cash	32,566	12,586	-	-	-
Committed					
School safety/security	-	-	-	1,000,000	-
Assigned to City Retirement Plans	-	-	-	-	-
Unassigned	21,036,975	19,883,693	23,367,583	22,860,400	24,694,460
Total General fund	22,764,750	23,750,281	25,047,635	26,872,054	26,454,596
All Other Governmental Funds					
Nonspendable					
Notes and loans	58,232	-	-	-	-
Restricted					
Public safety	1,000,434	873,595	809,361	730,541	724,355
Culture and recreation	-	-	-	-	-
Public works	4,613,796	5,272,830	5,495,829	348,127	44,857
Capital projects	4,572,761	4,638,320	5,023,913	8,819,033	6,235,010
Committed					
Capital projects	10,208,481	9,270,230	7,961,065	10,569,488	7,598,135
Unassigned	(22,488)	(22,488)	(22,488)	-	-
Total all other governmental funds	20,431,216	20,032,487	19,267,680	20,467,189	14,602,357
Total all governmental funds	\$ 43,195,966	\$ 43,782,768	\$ 44,315,315	\$ 47,339,243	\$ 41,056,953



CITY OF MANHATTAN BEACH, CALIFORNIA
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit A-5

	Fiscal Year Ending				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund					
Nondisposable					
Inventory	\$ 22,915	\$ 4,285	\$ 6,010	\$ 3,510	\$ 2,099
Prepaid costs	50,207	1,978	13,585	646,818	56,494
Notes and loans	-	555,299	200,064	98,321	49,088
Leases receivable	-	-	-	379,443	541,859
Restricted					
Post-employment benefits	1,365,844	1,820,529	1,603,036	1,721,763	3,599,985
Debt service & restricted cash	-	-	1,113,451	1,102,123	1,083,533
Committed					
School safety/security	-	-	-	-	-
Assigned to City Retirement Plans	130,114	92,390	58,007	58,120	57,289
Unassigned	25,117,005	30,136,420	36,823,324	34,675,754	34,991,414
Total General fund	26,686,085	32,610,901	39,817,477	38,685,852	40,381,761
All Other Governmental Funds					
Nondisposable					
Notes and loans	-	-	-	-	-
Restricted					
Public safety	696,359	545,290	549,448	548,830	778,900
Culture and recreation	87,389	434,597	688,527	906,241	1,174,175
Public works	11,082,956	4,457,737	283,245	310,996	302,405
Capital projects	8,537,593	5,597,283	10,351,689	12,035,029	11,052,540
Committed					
Capital projects	6,430,018	6,193,057	12,224,799	14,085,698	12,901,582
Unassigned	-	-	-	-	-
Total all other governmental funds	26,834,315	17,227,964	24,097,708	27,886,794	26,209,602
Total all governmental funds	\$ 53,520,400	\$ 49,838,865	\$ 63,915,185	\$ 66,572,646	\$ 66,591,363



Statistical Section

Revenue Capacity

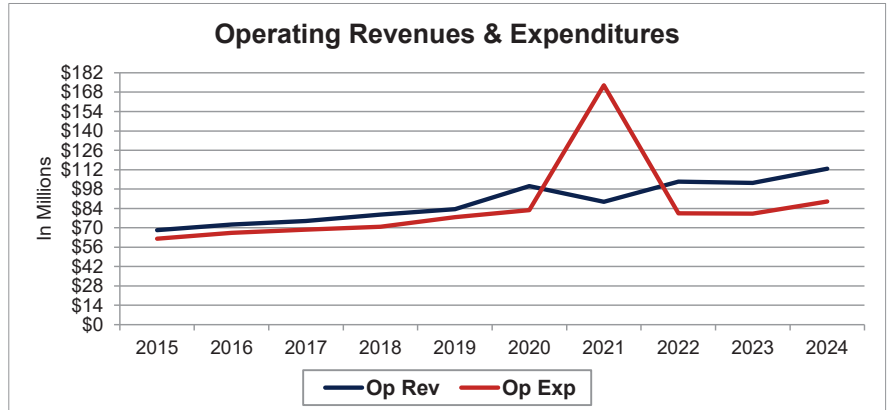
These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.

CITY OF MANHATTAN BEACH, CALIFORNIA
Changes in Fund Balances
Governmental Funds, Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending				
	2015	2016	2017	2018	2019
Revenues					
Tax and assessments	\$ 46,601,118	\$ 48,908,825	\$ 50,405,516	\$ 52,246,911	\$ 55,981,022
Licenses, fees, and permits	2,185,871	2,812,480	2,738,149	3,383,839	3,084,603
Intergovernmental	2,495,207	2,406,440	2,093,411	3,583,892	2,725,463
Charges for services	10,362,276	10,284,762	11,724,813	12,918,156	12,743,463
Interest and Rents	3,184,502	3,870,056	3,495,128	2,815,868	5,747,403
Fines and forfeitures	2,637,538	2,615,306	2,599,654	2,570,974	2,051,692
Net change fair value investments	13,651	254,377	(519,971)	(518,607)	1,062,513
Other revenues	820,295	1,267,893	2,348,814	2,417,724	69,816
Total revenues	68,300,458	72,420,139	74,885,514	79,418,757	83,465,975
Expenditures					
General government	11,838,504	13,360,320	13,290,308	14,018,117	15,581,223
Public Safety	34,897,663	37,189,782	38,522,882	39,685,053	42,890,892
Culture and recreation	7,349,487	8,335,111	8,656,533	8,873,425	9,350,246
Public works	8,026,650	7,356,842	8,113,384	8,206,580	9,966,290
Total operating expenditures	62,112,304	66,242,055	68,583,107	70,783,175	77,788,651
Excess of revenue over expenditures	6,188,154	6,178,084	6,302,407	8,635,582	5,677,324
Capital outlay	2,275,709	3,153,156	3,669,140	2,979,570	8,956,807
Debt service					
Interest	412,240	403,458	442,116	479,537	456,437
Principal	1,480,000	725,000	745,000	745,000	795,000
Fees	-	-	-	4,810	3,400
Payment to refunding bond escrow agent	-	-	11,334	-	-
Total Non Operating expenditures	4,167,949	4,281,614	4,867,590	4,208,917	10,211,644
Excess of revenues over expenditures	2,020,205	1,896,470	1,434,817	4,426,665	(4,534,320)
Other financing sources (Uses)					
Bonds issued	-	-	5,905,000	-	-
Premium on bonds issues	-	-	438,570	-	-
Proceeds from sale of capital assets	1,050	838	-	-	-
Transfers in	534,480	714,082	1,685,005	639,686	1,004,433
Transfers out	(284,156)	(2,024,588)	(2,587,281)	(2,042,423)	(2,752,403)
Other financing sources	-	-	-	-	-
Other financing uses	-	-	(6,343,564)	-	-
Total other financing sources (uses)	251,374	(1,309,668)	(902,270)	(1,402,737)	(1,747,970)
Prior Period Adjustment					
Net change in fund balances	2,271,579	586,802	532,547	3,023,928	(6,282,290)

Debt - % of Operating Expenditures & Debt

3.0%	1.7%	1.7%	1.7%	1.6%
------	------	------	------	------



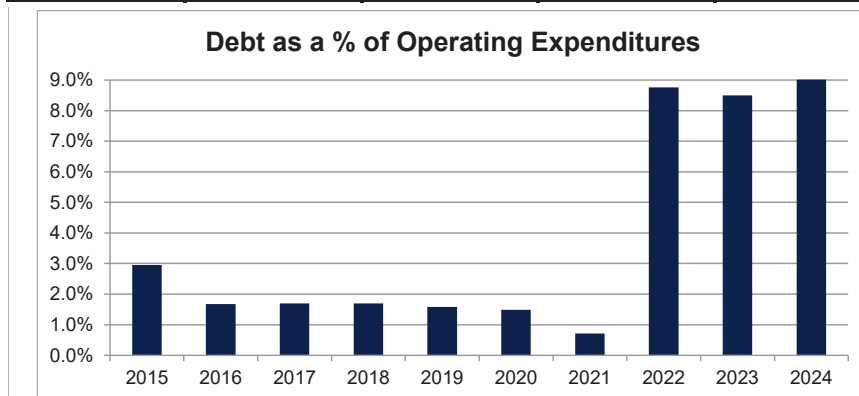
CITY OF MANHATTAN BEACH, CALIFORNIA
Changes in Fund Balances
Governmental Funds, Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit A-6

	Fiscal Year Ending				
	2020	2021	2022	2023	2024
Revenues					
Tax and assessments	\$ 55,515,380	\$ 57,509,332	\$ 67,470,637	\$ 70,815,982	\$ 75,723,284
Licenses, fees, and permits	2,586,996	3,590,052	3,986,713	3,353,163	4,382,549
Intergovernmental	4,148,407	11,235,911	13,688,939	5,645,466	6,965,665
Charges for services	11,210,104	10,728,270	12,380,756	12,546,935	14,024,075
Interest and Rents	5,246,508	2,734,193	1,747,756	4,830,041	7,138,974
Fines and forfeitures	1,997,803	1,517,113	2,451,283	2,710,161	2,031,868
Net change fair value investments	18,496,956	597,218	(597,218)	960,488	1,058,864
Other revenues	941,260	807,381	2,292,463	1,455,310	1,367,924
Total revenues	100,143,414	88,719,470	103,421,329	102,317,546	112,693,203
Expenditures					
General government	14,304,120	24,214,335	14,975,284	16,367,565	18,145,903
Public Safety	43,739,598	109,709,901	41,806,108	45,141,651	48,896,675
Culture and recreation	7,827,704	11,013,760	7,546,214	8,328,464	10,045,476
Public works	16,831,713	28,014,195	16,238,824	10,277,583	11,996,279
Total operating expenditures	82,703,135	172,952,191	80,566,430	80,115,263	89,084,333
Excess of revenue over expenditures	17,440,279	(84,232,721)	22,854,899	22,202,283	23,608,870
Capital outlay	3,837,436	4,499,063	7,882,958	13,413,184	22,349,983
Debt service					
Interest	432,213	407,312	2,877,605	2,585,247	2,777,497
Principal	820,000	840,000	4,858,805	4,858,805	6,047,316
Fees	3,400	3,400	208,043	5,250	3,450
Payment to refunding bond escrow agent	-	-	-	-	-
Total Non Operating expenditures	5,093,049	5,749,775	15,827,411	20,862,486	31,178,246
Excess of revenues over expenditures	12,347,230	(89,982,496)	7,027,488	1,339,797	(7,569,376)
Other financing sources (Uses)					
Bonds issued	-	85,879,300	7,440,000	-	-
Premium on bonds issues	-	-	1,259,922	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	460,262	2,075,413	3,484,419	7,950,383	3,023,345
Transfers out	(494,783)	(1,653,782)	(5,135,479)	(8,498,291)	(4,838,966)
Other financing sources	-	-	-	-	9,403,714
Other financing uses	-	-	-	-	-
Total other financing sources (uses)	(34,521)	86,300,931	7,048,862	(547,907)	7,588,093
Prior Period Adjustment					
Net change in fund balances	12,312,709	(3,681,565)	14,076,350	791,890	18,717

Debt - % of Operating Expenditures & Debt

1.5%	0.7%	8.8%	8.5%	9.0%
------	------	------	------	------





CITY OF MANHATTAN BEACH, CALIFORNIA

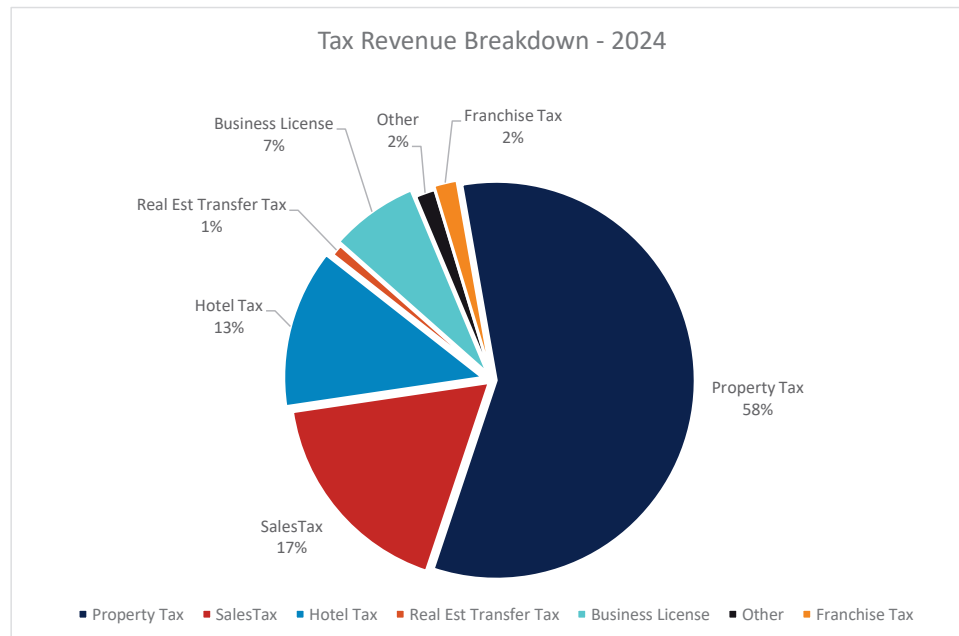
Exhibit A-7

Taxes & Assessment Revenues by Source, Governmental Funds, and Assessment

Last Ten Fiscal Years

(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales & Use</u>	<u>Hotel</u>	<u>Franchise</u>	<u>Real Est Transfer</u>	<u>Business License</u>	<u>Other Taxes Assessments</u>	<u>Total</u>
2024	\$ 43,851,831	\$ 13,268,362	\$ 9,797,116	\$ 1,435,830	\$ 716,788	\$ 5,422,317	\$ 1,231,040	\$ 75,723,284
2023	41,836,586	13,387,211	7,495,260	1,296,708	696,646	4,935,627	1,167,944	70,815,982
2022	39,491,986	10,473,355	6,464,049	1,217,755	1,333,170	5,175,626	3,314,696	67,470,637
2021	37,598,821	10,088,430	2,802,514	1,189,086	1,842,571	3,755,555	232,355	57,509,332
2020	34,002,016	8,407,953	4,203,026	1,167,345	828,842	3,652,228	3,253,970	55,515,380
2019	32,107,341	9,339,304	5,140,858	1,234,752	783,516	4,053,020	3,322,231	55,981,022
2018	30,318,225	8,970,809	4,429,080	1,262,037	788,203	3,718,418	2,760,140	52,246,911
2017	28,215,709	8,962,617	5,201,518	1,256,125	756,049	3,658,194	2,355,304	50,405,516
2016	26,344,276	9,348,605	5,139,425	1,439,957	792,829	3,475,792	2,367,941	48,908,825
2015	24,435,184	9,171,515	4,809,421	1,539,453	720,826	3,376,113	2,548,606	46,601,118
Change 2015-2024	79.5%	44.7%	103.7%	-6.7%	-0.6%	60.6%	-51.7%	62.5%



CITY OF MANHATTAN BEACH, CALIFORNIA**Assessed Value and Estimated Actual Value of Taxable Property,
Last Ten Fiscal Years**

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property	Total Assessed Value
2015	\$ 12,500,544,975	\$ 959,518,199	\$ 281,151,363	\$ 791,941,297	\$ 14,533,155,834
2016	13,616,966,542	1,012,547,408	293,730,521	765,998,032	15,689,242,503
2017	14,551,610,225	1,105,261,590	298,209,901	824,621,493	16,779,703,209
2018	15,552,647,698	1,171,070,581	305,302,530	888,775,373	17,917,796,182
2019	16,543,536,695	1,199,124,711	311,408,568	950,206,556	19,004,276,530
2020	17,637,547,816	1,240,422,307	317,636,726	956,183,073	20,151,789,922
2021	18,698,835,090	1,320,682,796	495,751,708	1,049,831,342	21,565,100,936
2022	19,500,686,332	1,422,052,532	502,026,905	1,093,445,055	22,518,210,824
2023	20,859,717,575	1,529,657,039	513,911,783	1,109,943,068	24,013,229,465
2024	21,988,752,211	1,642,761,250	523,646,184	1,121,769,952	25,276,929,597

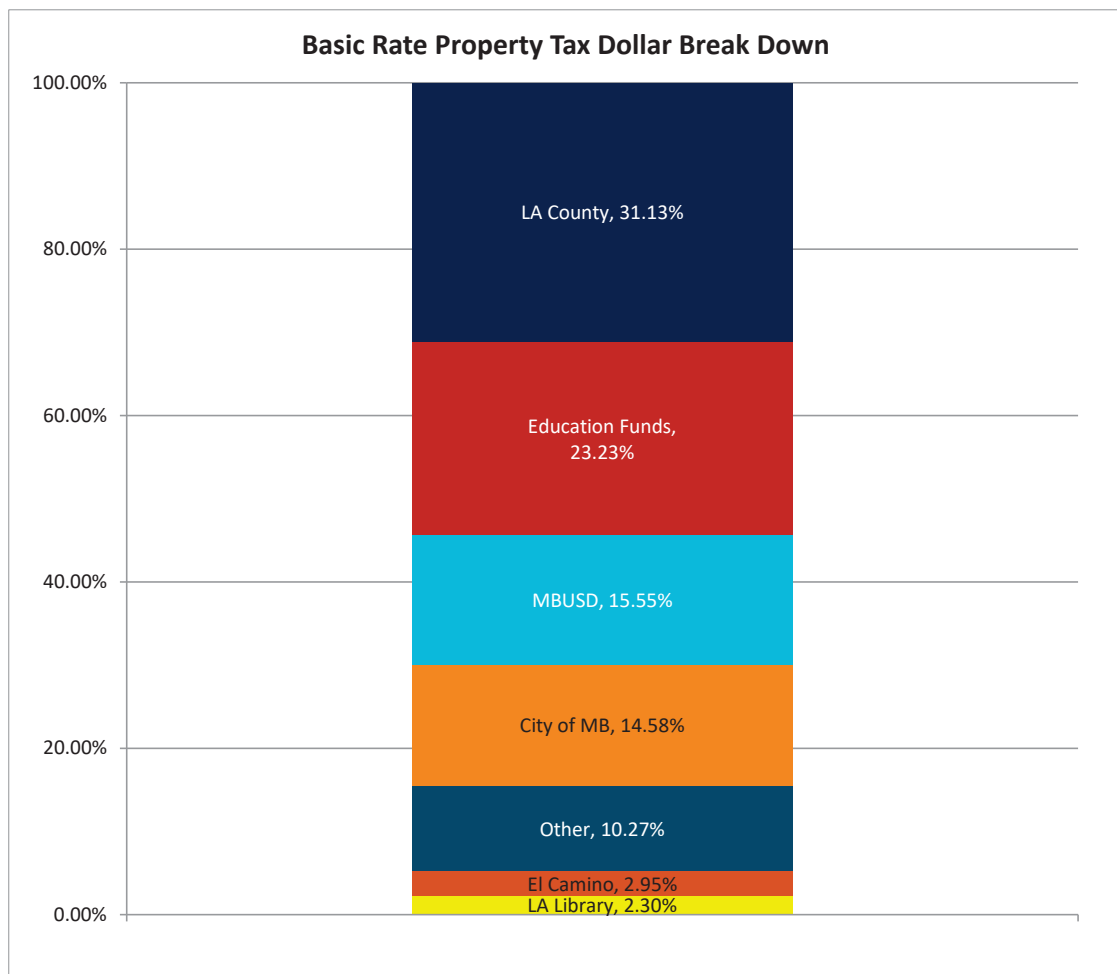
Exhibit A-8

Tax-Exempt Property	Total Direct Tax Rate	Net Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
\$ 301,114,939	0.14498%	\$ 14,196,903,333	102.368%
301,114,939	0.14514%	15,352,495,483	102.193%
301,127,715	0.14525%	16,442,347,904	102.052%
289,572,846	0.14535%	17,591,875,267	101.853%
289,572,846	0.14543%	18,676,191,358	101.757%
289,572,846	0.14552%	19,822,800,094	101.660%
289,572,846	0.14561%	21,235,867,296	101.550%
289,572,846	0.14566%	22,187,047,758	101.493%
289,572,846	0.14574%	23,681,804,263	101.399%
289,088,667	0.14581%	24,938,781,033	101.356%

CITY OF MANHATTAN BEACH, CALIFORNIA
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years

Exhibit A-9

Fiscal Year	City Direct Rates		Overlapping Rates						
	General Levy (Basic Rate)	City Direct Rate	LA County	Colleges & School Districts	Metro Water District	Flood Control District	Total Overlap Rate	General Levy	Total Rate
2015	1.00000%	0.14498%	0.00000	0.08928	0.00350	0.00000	0.09278	1.00000	1.09278
2016	1.00000%	0.14514%	0.00000	0.08403	0.00350	0.00000	0.08753	1.00000	1.08753
2017	1.00000%	0.14525%	0.00000	0.09062	0.00350	0.00000	0.09412	1.00000	1.09412
2018	1.00000%	0.14535%	0.00000	0.11581	0.00350	0.00000	0.11931	1.00000	1.11931
2019	1.00000%	0.14543%	0.00000	0.11507	0.00350	0.00000	0.11857	1.00000	1.11857
2020	1.00000%	0.14552%	0.00000	0.11371	0.00350	0.00000	0.11721	1.00000	1.11721
2021	1.00000%	0.14561%	0.00000	0.11210	0.00350	0.00000	0.11560	1.00000	1.11560
2022	1.00000%	0.14566%	0.00000	0.11106	0.00350	0.00000	0.11456	1.00000	1.11456
2023	1.00000%	0.14574%	0.00000	0.11140	0.00350	0.00000	0.11490	1.00000	1.11490
2024	1.00000%	0.14581%	0.00000	0.10912	0.00350	0.00000	0.11262	1.00000	1.11262



CITY OF MANHATTAN BEACH, CALIFORNIA
Principal Property Tax Payers Based on Net Values,
Current Year and Nine Years Ago

Exhibit A-10

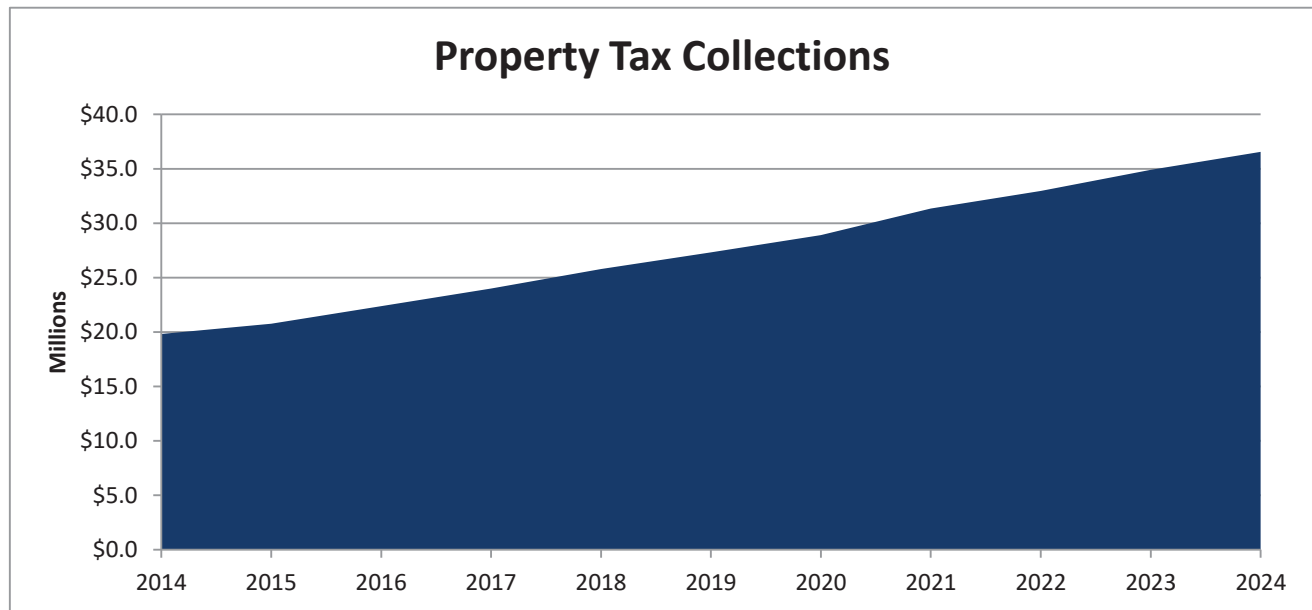
Taxpayer	2024			2015		
	Net Value	Rank	Percentage of Total City Net Value	Net Value	Rank	Percentage of Total City Net Value
MBS Media Campus	\$ 359,649,241	1	1.44%			
Northrop Grumman Systems Corp	305,119,240	2	1.22%	\$ 182,462,390	1	1.29%
RREEF America REIT II Corp	238,505,771	3	0.96%	164,765,539	2	1.16%
ONNI Manhattan Towers LP	128,745,053	4	0.52%			
Manhattan Beach Hotel Owner LLC	120,541,399	5	0.48%			
Manhattan Beach Suites	61,126,513	6	0.25%			
Skechers USA Retail LLC	58,567,817	7	0.23%	40,727,421	7	0.29%
Coastal Market Plaza LLC	55,775,309	8	0.22%			
Michael Greenberg Trust	50,484,916	9	0.20%			
Bay Club Manhattan Beach LLC	50,023,096	10	0.20%			
CRP MB Studios LLC				144,000,000	3	1.01%
Host Marriott Corporation Interstate				87,518,077	4	0.62%
Parstem Realty Company INC				68,502,121	5	0.48%
1230 and 1240 Rosecrans H				60,145,827	6	0.42%
RIMB LLC				33,613,419	8	0.24%
St. Paul Properties				31,341,285	9	0.22%
Kinecta Federal Credit Union				28,505,401	10	0.20%
Top Ten Total	<u>\$ 1,428,538,355</u>		<u>5.73%</u>	<u>\$ 841,581,480</u>		<u>5.93%</u>
City Total	<u>\$ 24,938,781,033</u>			<u>\$ 14,196,903,333</u>		



CITY OF MANHATTAN BEACH, CALIFORNIA
Property Tax Levies and Collections,
Last Ten Fiscal Years

Exhibit A-11

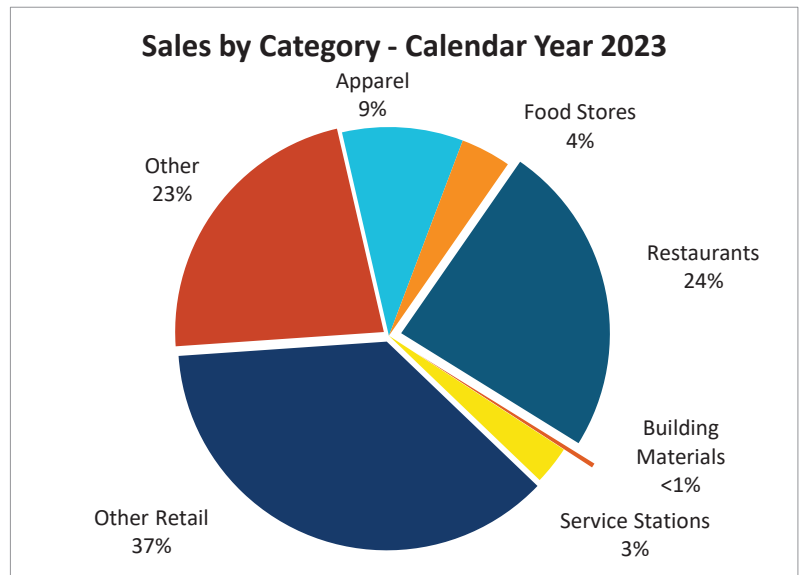
Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Prior Year	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	20,507,194	19,991,754	97.49%	757,337	20,749,092	101.18%
2016	22,195,519	21,697,312	97.76%	682,877	22,380,189	100.83%
2017	23,822,585	23,386,545	98.17%	596,471	23,983,016	100.67%
2018	25,520,518	25,119,981	98.43%	675,026	25,795,007	101.08%
2019	27,138,821	26,656,342	98.22%	654,244	27,310,586	100.63%
2020	28,839,478	28,162,858	97.65%	745,930	28,908,788	100.24%
2021	30,949,109	30,333,626	98.01%	1,014,827	31,348,453	101.29%
2022	32,347,837	31,736,342	98.11%	1,235,235	32,971,577	101.93%
2023	34,620,418	33,869,843	97.83%	1,022,916	34,892,759	100.79%
2024	38,429,458	35,862,535	93.32%	687,837	36,550,372	95.11%



Percent of levy may be over 100% since collections include current and prior years

CITY OF MANHATTAN BEACH, CALIFORNIA
Taxable Sales by Category,
Last Ten Calendar Years
(in thousands of dollars)

	Calendar Year				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Apparel Stores	\$ 73,809	\$ 75,919	\$ 74,515	\$ 77,995	\$ 78,622
General Merchandise	104,277	102,310	101,038	96,353	96,372
Food Stores	31,832	33,110	34,634	33,270	33,882
Eating and Drinking Establishments	189,227	200,840	202,915	202,646	205,363
Building Materials	2,734	2,605	2,623	2,829	4,122
Service Stations	42,789	37,000	31,670	32,992	36,706
Other Retail Stores	286,140	295,157	303,311	308,555	309,131
All Other Outlets	<u>261,863</u>	<u>176,347</u>	<u>154,628</u>	<u>148,764</u>	<u>161,173</u>
Total	<u>\$ 992,671</u>	<u>\$ 923,288</u>	<u>\$ 905,334</u>	<u>\$ 903,404</u>	<u>\$ 925,371</u>
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%



CITY OF MANHATTAN BEACH, CALIFORNIA
Taxable Sales by Category,
Last Ten Calendar Years
(in thousands of dollars)

Exhibit A-12

	Calendar Year				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Apparel Stores	\$ 78,443	\$ 65,209	\$ 94,918	\$ 99,431	\$ 104,048
General Merchandise	96,939	-	-	-	-
Food Stores	36,633	41,294	40,190	41,485	43,261
Eating and Drinking Establishments	206,532	139,108	205,943	256,112	268,495
Building Materials	4,083	3,760	4,089	4,017	3,812
Service Stations	36,052	18,438	29,299	37,477	33,059
Other Retail Stores	303,700	298,660	370,379	410,685	408,104
All Other Outlets	<u>184,773</u>	<u>194,393</u>	<u>206,306</u>	<u>237,583</u>	<u>249,652</u>
Total	<u>\$ 947,155</u>	<u>\$ 760,862</u>	<u>\$ 951,124</u>	<u>\$ 1,086,790</u>	<u>\$ 1,110,431</u>
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%

CITY OF MANHATTAN BEACH, CALIFORNIA
Direct and Overlapping Sales Tax Rates,
Last Ten Fiscal Years

Exhibit A-13

Fiscal Year	City Direct Rate	L.A. County
2023	1.00%	.25%
2022	1.00%	.25%
2021	1.00%	.25%
2020	1.00%	.25%
2019	1.00%	.25%
2018	1.00%	.25%
2017	1.00%	.25%
2016	1.00%	.25%
2015	1.00%	.25%
2014	1.00%	.25%

Source: State of California Board of Equalization

CITY OF MANHATTAN BEACH, CALIFORNIA
Principal Sales Tax Remitters,
Calendar Year Comparison

Exhibit A-14

Tax Remitter

2023

Apple
Arco AM PM
Barnes & Noble
BevMo
Chevron
CVS Pharmacy
Joey Manhattan Beach
Kettle
Macy's
Manhattan Beach Toyota Scion
Marriott Manhattan Beach Hotel
Nick's Manhattan Beach
Old Navy
Olive Garden
Ralphs Fresh Fare
REI
Sephora
Skechers by Mail
Strand House Standbar
Sushi Roku
Target
The Arthur J
Tin Roof Bistro
Trader Joe's
Wrights

2014

Apple
Arco
Barnes & Noble
BevMo
Chevron
Circle K
CVS Pharmacy
Dewitt Petroleum
Frys Electronics
Houston's
Kettle
Macy's
Manhattan Beach Marriott
Manhattan Beach Post
Manhattan Beach Toyota Scion
Old Navy
Olive Garden
Ralphs Fresh Fare
REI
Sephora
Strand House Standbar
Target
Tin Roof Bistro
Trader Joe's
Vons

* Listed Alphabetically



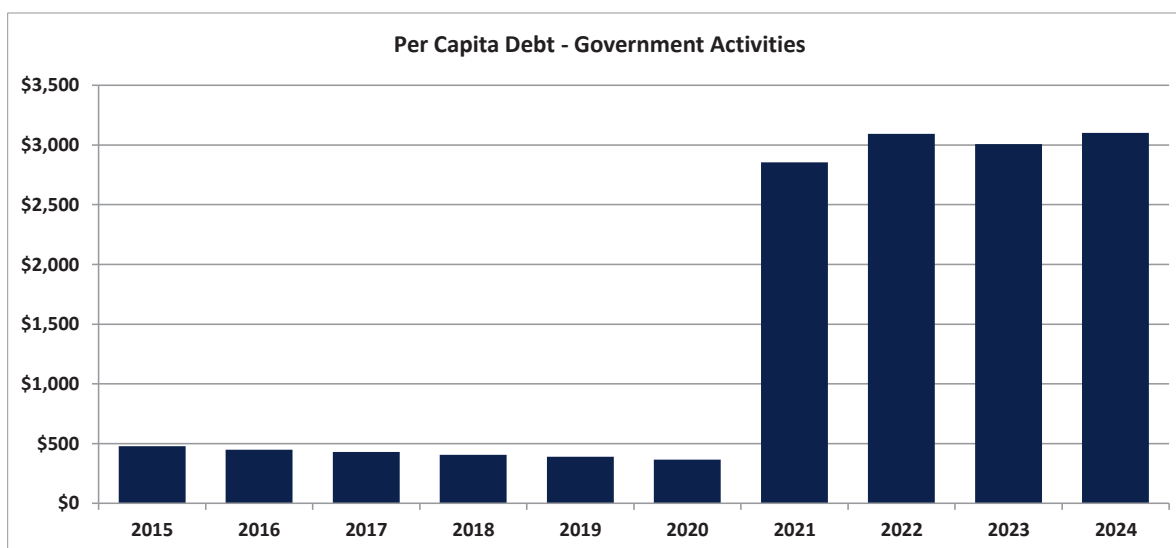
Statistical Section

Debt Capacity

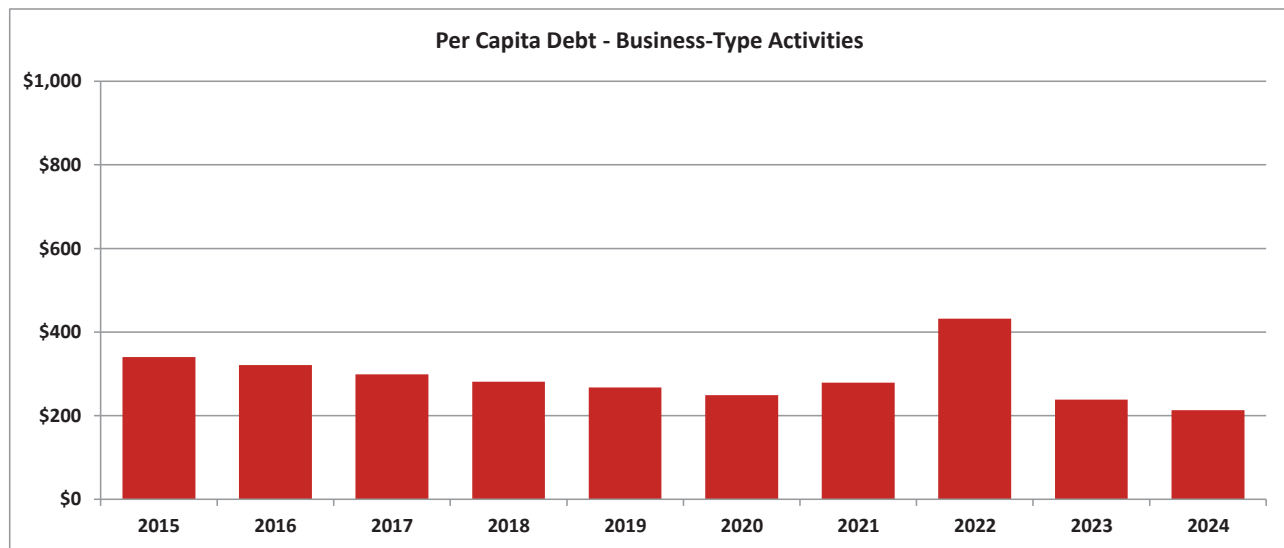
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

CITY OF MANHATTAN BEACH, CALIFORNIA
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

Governmental Activities									
Fiscal Year	Pension Obligation Bonds	Marine Certificates of Participation	Marine Refunding Certificates of Participation	Fire Station Certificates of Participation	Police/Fire Refunding Bonds	Capital & Right to Use Leases	Subscription Payable	Total Governmental	Total Per Capita
2015	-	6,715,000	-	-	9,580,000	531,820	-	16,826,820	477
2016	-	6,445,000	-	-	9,125,000	341,224	-	15,911,224	448
2017	-	-	6,317,766	-	9,042,225	147,506	-	15,507,497	431
2018	-	-	6,026,968	-	8,535,865	-	-	14,562,833	405
2019	-	-	5,706,170	-	8,009,505	-	-	13,715,675	389
2020	-	-	5,375,372	-	7,468,144	-	-	12,843,516	366
2021	89,388,310	-	5,039,574	-	6,972,970	-	-	101,400,854	2,856
2022	86,288,700	-	4,693,774	8,552,926	6,340,422	2,090,304	-	107,966,126	3,093
2023	82,910,000	-	4,332,979	8,385,927	5,754,063	1,095,503	584,503	103,062,975	3,006
2024	79,516,630	-	3,962,181	8,208,930	5,152,702	8,718,073	443,963	106,002,479	3,100



Business-type Activities							Total		
Pension Obligation Bonds	Metlox Certificates of Participation	Utility Refunding Certificates of Participation	Metlox Refunding Certificates of Participation	Subscription Payable	Total Business Type	Total Per Capita	Total Primary Government	Percentage of Personal Income	Total Per Capita
-	-	2,506,784	9,498,103	-	12,004,887	340	28,831,707	0.99%	817
-	-	2,317,328	9,079,279	-	11,396,607	321	27,307,831	0.92%	769
-	-	2,117,872	8,645,454	-	10,763,326	299	26,270,823	0.85%	730
-	-	1,913,417	8,191,630	-	10,105,047	281	24,667,880	0.77%	687
-	-	1,703,962	7,727,805	-	9,431,767	268	23,147,442	0.72%	657
-	-	1,484,506	7,243,981	-	8,728,487	249	21,572,003	0.67%	615
1,886,690	-	1,260,050	6,750,157	-	9,896,897	279	111,297,751	3.47%	3,135
1,821,300	-	7,121,457	6,129,232	-	15,071,989	432	123,038,115	3.84%	3,525
1,750,000	-	755,873	5,632,997	25,846	8,164,716	238	111,227,692	3.47%	3,244
1,678,370	-	514,524	5,091,763	13,053	7,297,710	213	113,300,189	3.53%	3,313





CITY OF MANHATTAN BEACH, CALIFORNIA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2023

Exhibit A-16

<u>Governmental Unit</u>	<u>Gross Bonded Debt Balance</u>	<u>Percentage Applicable To City</u>	<u>Net Bonded Debt</u>
Direct Debt			
City of Manhattan Beach:			
Los Angeles County General Fund Obligations	\$ 2,479,229,730	1.244%	\$ 30,841,618
Los Angeles County Superintendent of Schools COPs	2,857,300	1.244%	35,545
City of Manhattan Beach General Fund Obligations	20,455,000	100.000%	20,455,000
City of Manhattan Beach Pension Obligation Bonds	81,195,000	100.000%	81,195,000
Total Direct Debt			132,527,163
Overlapping Debt			
Metropolitan Water District	18,210,000	0.644%	117,272
El Camino College District	447,104,356	16.855%	75,359,439
Manhattan Beach Unified School District	155,963,234	99.999%	155,961,674
City of Manhattan Beach 1915 Act Bonds	14,125,000	100.000%	14,125,000
Total Overlapping Debt			245,563,385
Total Direct and Overlapping Debt			\$ 378,090,548

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2023-24 Assessed Valuation:

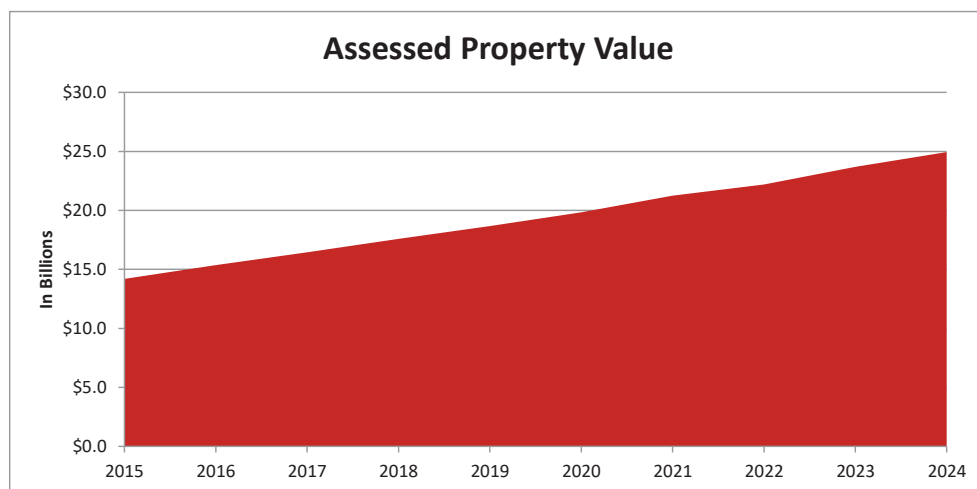
Total Overlapping Tax and Assessment Debt 0.98%

Total Direct Debt (\$101,650,000) 0.41%

Combined Total Debt 1.52%

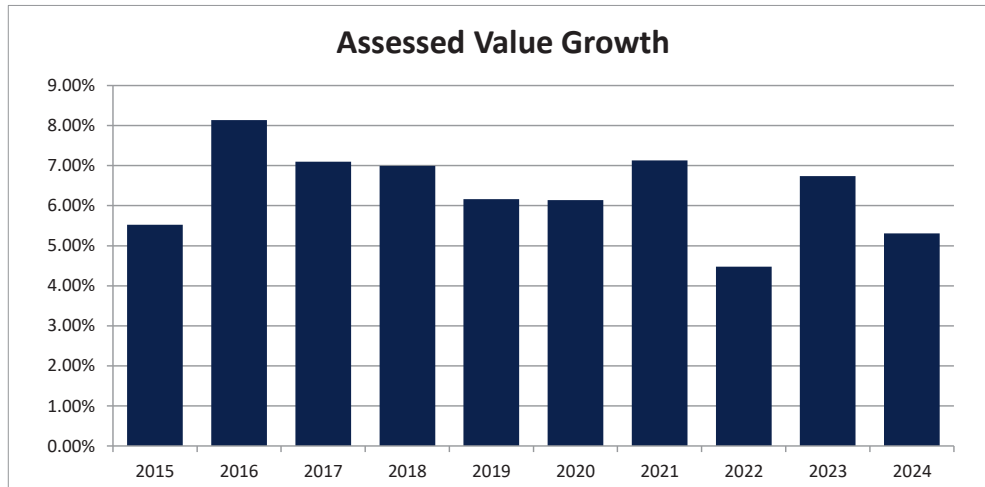
CITY OF MANHATTAN BEACH, CALIFORNIA
Legal Debt Margin Information,
Last Ten Fiscal Years

	Fiscal Year				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total Assessed Value	\$ 14,196,903,333	\$ 15,352,495,483	\$ 16,442,347,904	\$ 17,591,875,267	\$ 18,676,191,358
Legal debt limit (3.75%)	532,383,875	575,718,581	616,588,046	659,695,323	700,357,176
Legal debt margin	\$ 532,383,875	\$ 575,718,581	\$ 616,588,046	\$ 659,695,323	\$ 700,357,176
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%
Assessed Value Growth	5.53%	8.14%	7.10%	6.99%	6.16%



Source: HdL Coren & Cone

Fiscal Year				
<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 19,822,822,094	\$ 21,235,867,296	\$ 22,187,047,758	\$ 23,681,804,263	\$ 24,938,781,033
743,355,829	796,345,024	832,014,291	888,067,660	935,204,289
\$ 743,355,829	\$ 796,345,024	\$ 832,014,291	\$ 888,067,660	\$ 935,204,289
0.00%	0.00%	0.00%	0.00%	0.00%
6.14%	7.13%	4.48%	11.52%	12.40%



CITY OF MANHATTAN BEACH, CALIFORNIA
Pledged-Revenue Coverage,
Last Ten Fiscal Years

Water - Wastewater Debt Service Principal and Interest						
Fiscal Year	Utility Service Charges	(a) Less: Operating Expenses	Net Available Revenue	Debt Service		Times Coverage
				Principal	Interest	
2015	19,674,895	10,082,087	9,592,808	165,000	89,950 (b)	37.63
2016	17,814,103	10,389,899	7,424,204	175,000	83,350 (b)	28.74
2017	17,977,445	11,279,607	6,697,838	185,000	76,350 (b)	25.63
2018	18,947,767	11,818,853	7,128,914	190,000	68,950 (b)	27.53
2019	18,889,006	12,947,329	5,941,677	195,000	63,250 (b)	23.01
2020	18,951,923	12,806,497	6,145,426	205,000	55,450 (b)	23.60
2021	19,311,412	14,706,241	4,605,171	210,000	49,299 (b)	17.76
2022	19,037,166	13,525,873	5,511,293	220,000	43,000 (b)	20.96
2023	17,643,822	13,702,932	3,940,890	215,000	38,735 (b)	15.53
2024	19,335,804	16,983,197	2,352,607	230,000	29,126 (b)	9.08

(a) Operating Expense less depreciation expense

(b) Interest "expense" for this purpose reflects Footnote 6 Debt Service Requirements as presented in prior years' AFCRs and is presented on a cash basis

(c) Refunding bonds - please refer to footnotes regarding bond refunding

Parking Debt Service Principal and Interest						
Parking Fund Revenue	(a) Less: Operating Expenses	Net Available Revenue	Debt Service		Times Coverage	
			Principal	Interest		
2,566,403	1,505,208	1,061,195	375,000	341,363 (b)		1.48
2,533,935	1,676,685	857,250	395,000	326,362 (b)		1.19
2,460,627	1,687,183	773,444	410,000	310,563 (b)		1.07
2,525,275	1,813,828	711,447	430,000	294,163 (b)		0.98
3,038,490	1,723,456	1,315,034	440,000	278,263 (b)		1.83
2,953,440	1,834,508	1,118,932	460,000	260,663 (b)		1.55
3,261,909	2,647,308	614,601	470,000	246,863 (b)		0.86
4,553,765	2,335,845	2,217,920	490,000	232,763 (b)		3.07
4,301,516	2,234,564	2,066,952	425,000	232,850 (b)		3.14
4,374,352	2,688,762	1,685,590	440,000	221,422 (b)		2.55

Source: City of Manhattan Beach Finance Department and Historical ACFRs



Statistical Section

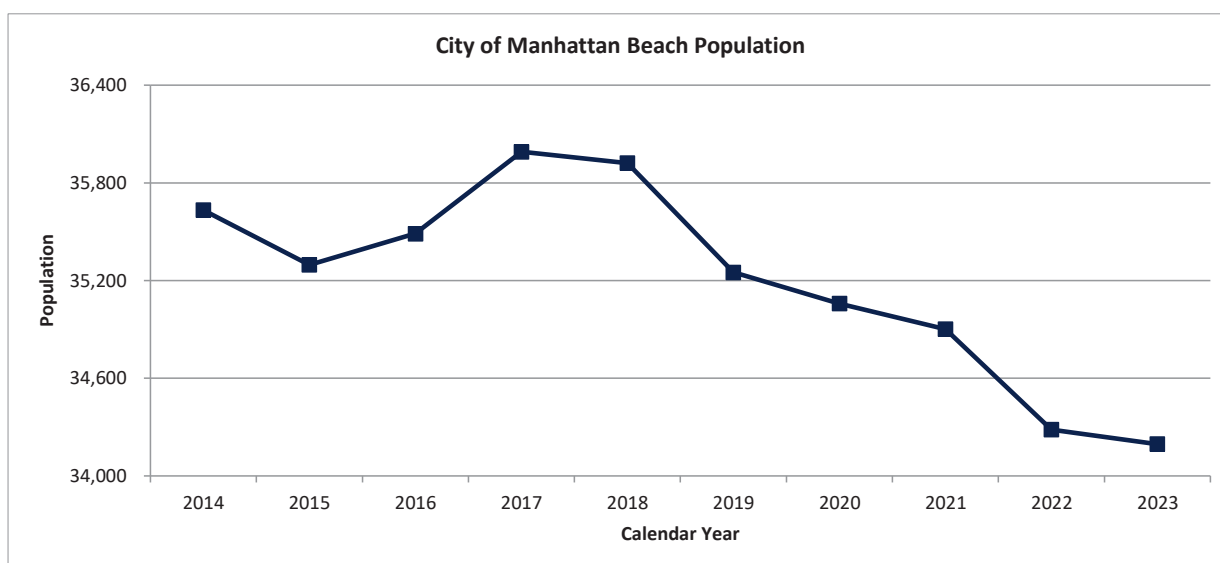
Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.

Calendar Year	Population	Man Beach Personal Income (in thousands)	Personal Income L.A. County ¹ (in thousands)	Per Capita Personal Income L.A. County ¹	Per Capita Personal Income Man Beach	Unempl Rate	School Enrollment
2014	35,633	2,864,394	487,900,000	48,456	80,386	3.4%	6,787
2015	35,297	2,906,208	521,900,000	51,207	82,335	2.7%	6,687
2016	35,488	2,969,983	557,382,000	54,432	83,689	2.1%	6,682
2017	35,991	3,102,178	585,515,000	56,698	86,192	2.6%	6,776
2018	35,922	3,208,080	628,809,000	62,221	89,306	3.4%	6,647
2019	35,250	3,330,194	658,900,000	64,700	94,473	3.2%	6,524
2020	35,058	3,420,177	708,700,000	69,919	97,557	7.3%	6,030
2021	34,902	3,288,263	728,400,000	73,346	94,213	5.2%	5,852
2022	34,284	3,551,561	746,900,000	70,067	103,591	3.4%	5,895
2023	34,195	3,820,044	773,800,000	78,766	111,713	3.8%	5,925

Source: HdL Companies; County of Los Angeles Annual Comprehensive Financial Report

¹ Represents fiscal year ended June 30th.



CITY OF MANHATTAN BEACH, CALIFORNIA
Principal Employers
Current Year and Nine Years Ago

Exhibit A-20

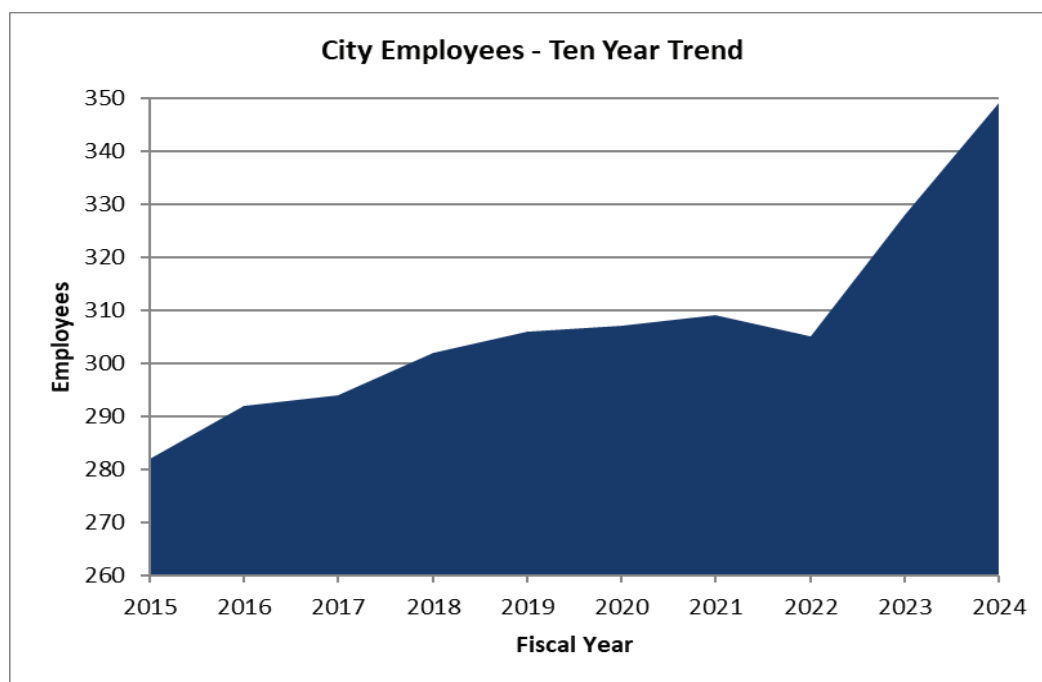
Employer	2024			2015		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Northrop Grumman Systems Corp	3000	1	28.92%	2042	1	15.78%
Skechers USA Inc (225 S Sepulveda Blvd)	556	2	5.36%	336	4	2.60%
Kinecta Federal Credit Union	550	3	5.30%	550	2	4.25%
Target Stores T199 Target Corp	405	4	3.90%	405	3	3.13%
Skechers USA Inc (330 Sepulveda Blvd)	361	5	3.48%	208	9	1.61%
Manhattan Beach Hotel TRS LLC	233	6	2.25%			0.00%
Ralphs Grocery Company #166	167	7	1.61%	167	10	1.29%
Skechers USA, INC. (1240 Rosecrans Ave)	156	8	1.50%			0.00%
Skechers USA, INC..(228 Manhattan Beach Blvd)	148	9	1.43%			0.00%
Bristol Farms	129	10	1.24%			0.00%
City of Manhattan Beach				268	5	2.07%
Macy's West LLC				264	6	2.04%
Fry's Electronics, INC				258	7	1.99%
Marriott - HMC Interstate				233	8	1.80%
Total	5,705		54.99%	4,731		36.56%



CITY OF MANHATTAN BEACH, CALIFORNIA
Full-time Authorized City Employees by Function/Program,
Last Ten Fiscal Years

Exhibit A-21

<u>Function/Program</u>	<u>Full-time Authorized Employees as of June 30</u>									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General government										
Management services	13	17	17	17	15	15	14	16	16	16
Finance*	25	17	17	17	18	18	19	18	18	19
Information Technology*	-	9	9	9	9	9	9	9	10	10
Human Resources	6	8	8	8	8	8	8	8	8	8
Community Development	22	24	24	28	30	30	30	31	33	38
Parks and Recreation	23	25	25	25	25	25	25	21	21	21
Police										
Officers	65	65	65	65	65	65	65	65	72	76
Civilians	39.8	39.8	41.8	41.8	42.8	42.8	43.8	40.8	44.8	44
Fire										
Firefighters & officers	31	30	30	30	30	30	30	30	31	38
Civilians	1.2	1.2	1.2	1.2	1.2	1.2	1.2	2.2	3.2	3
Public works										
Engineering	7.25	7.5	8.5	11	12.5	13.5	13.5	13.5	16	16
Water	11.2	11.2	11.35	10.85	10.8	10.8	11.8	11.5	15	16
Wastewater	3.2	3.2	3.45	3	3.9	3.9	3.9	4.1	6	6
Other	<u>34.35</u>	<u>34.1</u>	<u>32.7</u>	<u>35.15</u>	<u>34.8</u>	<u>34.8</u>	<u>34.8</u>	<u>34.9</u>	<u>34</u>	<u>38</u>
Total	<u>282</u>	<u>292</u>	<u>294</u>	<u>302</u>	<u>306</u>	<u>307</u>	<u>309</u>	<u>305</u>	<u>328</u>	<u>349</u>



Source: City of Manhattan Beach Finance Department

CITY OF MANHATTAN BEACH, CALIFORNIA

Schedule of Insurance in Force

June 30, 2024

<u>TYPE OF COVERAGE</u>	<u>POLICY NUMBER</u>	<u>FROM</u>
Liability		
Self-Insured	NA	07/01/24
Excess Liability		
Public Risk Innovation, Solutions, and Management (PRISM)		
General Liability 1 Program (GL1)	PRISM-PE 24 EL-109	07/01/24
Building & Property (All Risk, Flood, Earthquake, & \$100M Boiler and Machinery)		
Public Risk Innovation, Solutions and Management (PRISM)	PRISMPR24-25	03/31/23
Workers' Comp.		
Self-Insured	NA	07/01/24
Excess Workers' Comp.		
Public Risk Innovation, Solutions, and Management (PRISM)	PRISM-PE 24 EWC-152	07/01/24
Liberty Insurance Corporation	EW7-64N-444785-012	07/01/24
Government Crime Policy		
PRISM Master Crime Program	01-245-19-01	06/30/24
Cyber Risk		
Beazley Syndicate/Lloyd's of London	FN2433951	07/01/24
Excess Cyber	various	
Deadly Weapons Response		
Lloyd's of London	PJ2000050-0079	07/01/24

CITY OF MANHATTAN BEACH, CALIFORNIA

Schedule of Insurance in Force

June 30, 2024

<u>TO</u>	<u>LIMITS OF COVERAGE</u>	<u>ANNUAL PREMIUM</u>
07/01/25	\$500,000 per occurrence	\$0
07/01/25	\$25,000,000 inclusive of self-insured retention	\$1,538,059
03/31/24	Various Limits and Sub-Limits	\$734,859
07/01/25	\$750,000 per occurrence	\$0
07/01/25	\$50,000,000	\$356,440
07/01/25	Statutory limits excess of \$50,000,000	
06/30/25	\$10,000,000	\$10,777
07/01/25	\$2,000,000 various limits/sub-limits	\$18,205 NA
07/01/25	\$500,000	\$8,562

CITY OF MANHATTAN BEACH, CALIFORNIA
Operating Indicators by Function/Program,
Last Ten Fiscal Years

Exhibit A-23

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government										
Building permits issued	1,847	1,853	1,223	1,644	1,353	1,595	2,312	2,174	2,000	2,069
Building inspections conducted	14,708	14,630	14,796	16,032	15,272	14,441	15,650	15,864	16,397	16,885
Police										
Arrests	1,383	1,590	1,371	1,095	1,019	795	650	607	730	708
Parking citations	63,423	66,255	64,105	57,624	47,422	41,133	44,613	58,625	59,809	44,968
Traffic citations	4,222	4,723	3,682	4,209	2,449	2,062	970	1,261	2,091	2,449
Fire (a)										
Emergency responses	3,434	3,690	3,760	3,637	3,653	3,642	3,439	3,771	3,930	3,768
Fires extinguished	56	63	76	87	87	88	73	81	88	67
Inspections	536	852	697	688	1,421	749	426	444	1,206	1,329
Refuse collection										
Refuse collected (tons per day)	49	53	53	51	54	53	57	44	31	56
Recyclables collected (tons per day)	53	48	42	35	35	28	33	52	26	29
Other public works										
Street resurfacing (miles)	3.0	1.0	0.7	2.9	4.0	1.3	3.8	2.6	1.6	1.5
Parks and recreation										
Athletic field permits issued	10,369	9,912	10,328	8,499	6,815	6,515	118	5,413	6,749	5,796
Community center admissions*	76,860	52,424	63,083	64,592	52,505	39,379	15,752	38,203	54,269	58,337
Water										
Water main breaks	7	4	9	8	7	7	7	3	4	4
Average daily consumption (thousands of gallons)	4,468	4,021	4,130	4,392	4,257	4,312	4,442	4,209	4,766	3,548
Peak daily consumption (thousands of gallons)	5,344	5,344	6,190	5,735	7,266	6,086	5,734	5,718	5,719	5,636
Transportation										
Total route miles	44,067	46,175	40,961	42,535	49,639	34,824	15,507	30,745	32,953	34,585
Passengers	20,065	22,067	26,810	25,963	26,223	16,750	4,275	6,267	7,357	11,558

(a) Represents calendar year data.

* The Community Centers underwent a full renovation. Both centers were fully operational by January 2013.

CITY OF MANHATTAN BEACH, CALIFORNIA
Capital Asset Statistics by Function/Program,
Last Ten Fiscal Years

Exhibit A-24

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	23	23	23	23	23	23	23	23	23	26
Fire stations	2	2	2	2	2	2	2	2	2	2
Other public works										
Streets (miles)	108	108	108	108	108	108	108	108	108	108
Highways (miles)	10	10	10	10	10	10	10	10	10	10
Parks and recreation										
Acreage	80.88	80.88	80.88	80.88	80.88	80.88	80.88	80.88	80.88	80.88
Baseball/softball diamonds	18*	18*	18*	18*	18*	18*	18*	13	13	13
Soccer/football fields	19*	19*	19*	19*	19*	19*	19*	13	13	13
Community centers	3	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	106	106	106	106	106	106	140	140	140	140
Fire hydrants	774	774	774	774	775	775	775	826	827	827
Storage capacity (1000s Gallons)	9,800	9,800	9,800	9,800	9,800	9,800	10,300	1,856°	10,300	10,300
Wastewater										
Sanitary sewers (miles)	82.0	82.0	82.0	82.0	82.0	82.0	82.0	82.0	82.0	82.0
Storm sewers (miles)	25.0	25.0	25.0	25.0	21.0	21.0	21.0	21.0	21.0	21.0
Transportation—minibuses	4	4	5	5	5	4	5	5	4	4

* Includes fields available through a Joint Use Agreement with Manhattan Beach Unified School District

° Storage capacity temporarily reduced with Peck Reservoir offline and under construction

CITY OF MANHATTAN BEACH, CALIFORNIA

Demographic Statistical Data

Official Results from the 2020 US Census

Population distribution by ethnic group (one race):			Household Type:		
	<u>Number of Persons</u>	<u>Percent</u>		<u>Number of Persons</u>	<u>Percent</u>
White	26,141	78%	Family:		
Asian	4,045	14%	Married couple	8,256	63%
Black or African American	332	1%	Female head	1,118	9%
American Indian and Alaska Native	90	0%	Male head	372	3%
Other	4,977	14%	Nonfamily	3,298	25%
	<u>35,585</u>	<u>100%</u>		<u>13,044</u>	<u>100%</u>

Population distribution by age group:			Population distribution by gender:		
	<u>Number of Persons</u>	<u>Percent</u>		<u>Number of Persons</u>	<u>Percent</u>
Under 5 years	1,739	5%	Male	17,554	49%
5-14	6,038	17%	Female	18,031	51%
15-24	3,371	9%			
25-44	7,881	22%		<u>35,585</u>	<u>100%</u>
45-59	8,373	24%			
60-64	2,600	7%			
65 and over	5,583	16%			
	<u>35,585</u>	<u>100%</u>			

BOND DISCLOSURE





Continuing Disclosure Requirements

This section is provided in accordance with the Continuing Disclosure requirements, as set forth in the offering statements of the following debt issues:

- Metlox and Water/Wastewater Refunding Certificates of Participation, Series 2021
- Fire Station #2 Certificates of Participation, Series 2021
- Pension Obligation Bonds, Series 2021
- Assessment District No. 19-4 Limited Obligation Improvement Bonds, Series 2020 A
- Assessment District No. 19-12 Limited Obligation Improvement Bonds, Series 2019 A
- Assessment District No. 19-14 Limited Obligation Improvement Bonds, Series 2019 A
- Reassessment District Limited Obligation Refunding Bonds, Series 2018
- Marine Refunding Certificates of Participation, Series 2016
- Police and Fire Facility Refunding Certificates of Participation, Series 2013

The required Annual Report is contained herein as the Audited Financial Statements.

Reporting of Events with Respect to Debt Issuance during Fiscal Year 2023-2024

None.

Information relating to Reassessment District Bonds, Series 2018, for Fiscal Year 2023-2024

Principal Amount Outstanding	\$1,630,000
Balances as of June 30, 2024:	
Improvement Fund	\$13,060
Debt Service Reserve Fund	\$519,899

The balance in the Debt Service Reserve Fund exceeds the reserve requirement.

Taxes Levied and Delinquent for Fiscal Year 2023-2024

As of June 30, 2024

Total Parcels 715

Taxes Levied in FY 2023-24	\$ 615,346.87
-----------------------------------	----------------------

Total Paid	607,444.57
-------------------	-------------------

Delinquencies	\$ 7.902.30
----------------------	--------------------

Prior Year Delinquencies	\$ 14,753.89
---------------------------------	---------------------

PARCEL	ROLL YEAR	TAX LEVIED	TAX PAID	Delinquent
4169001007	2023	2,073.88	-	2,073.88
4169003001	2023	2,622.36	1,311.18	1,311.18
4175021019	2023	239.14	119.57	119.57
4175023023	2023	198.28	140.59	57.69
4175025027	2023	198.28	50.97	147.31
4176022008	2023	198.28	-	198.28
4178011007	2023	1,455.92	-	1,455.92
4178011008	2023	1,455.92	-	1,455.92
4178013081	2023	1,082.55	-	1,082.55
4169003001	2021	2,544.13	245.48	2,298.65
4169003001	2022	2,584.84	-	2,584.84
4178011007	2020	1,436.03	1,121.45	314.58
4178011007	2021	1,400.37	-	1,400.37
4178011007	2022	1,442.23	-	1,442.23
4178011008	2020	1,436.03	1,121.47	314.56
4178011008	2021	1,400.37	-	1,400.37
4178011008	2022	1,442.23	-	1,442.23
4178011016	2022	1,442.23	-	1,442.23
4178013081	2021	1,041.42	-	1,041.42
4178013081	2022	1,072.41	-	1,072.41
TOTAL DELIQUENCIES				\$22,656.19

of Parcels Delinquent for FY 2023-24 9

% of FY 2023-24 Levy Delinquent	1.28%
---------------------------------	-------

Information relating to Assessment District Bonds 19-12, Series 2019, for Fiscal Year 2023-24

Principal Amount Outstanding	\$3,920,000
Balances as of June 30, 2024:	
Improvement Fund	\$52,283
Debt Service Reserve Fund	\$152,217

The balance in the Debt Service Reserve Fund exceeds the reserve requirement.

Taxes Levied and Delinquent for Fiscal Year 2023-2024

As of June 30, 2024

Total Parcels **158**

Taxes Levied in FY 2023-24 **\$ 294,920.29**

Total Paid **289,682.98**

Delinquencies **\$ 5,237.31**

Prior Year Delinquencies **\$ 790.52**

PARCEL	ROLL YEAR	TAX LEVIED	TAX PAID	Delinquent
4137006059	2023	1,797.11	1,146.68	650.43
4137007063	2023	1,798.33	-	1,798.33
4137008018	2023	1,800.35	-	1,800.35
4137008021	2023	1,796.72	808.52	988.20
4137005060	2021	97.65	-	97.65
4137008018	2021	893.36	318.55	574.81
4137008021	2022	118.06	-	118.06
TOTAL DELIQUENCIES				\$6,027.83

of Parcels Delinquent for FY 2023-24 **4**

% of FY 2023-24 Levy Delinquent **1.78%**

Information relating to Assessment District Bonds 19-14, Series 2019, for Fiscal Year 2023-2024

Principal Amount Outstanding	\$4,140,000
Balances as of June 30, 2024:	
Improvement Fund	\$58,667
Debt Service Reserve Fund	\$158,443

The balance in the Debt Service Reserve Fund exceeds the reserve requirement.

Taxes Levied and Delinquent for Fiscal Year 2023-2024

As of June 30, 2024

Total Parcels **176**

Taxes Levied in FY 2023-24	\$ 305,696.01
Total Paid	296,403.12
Delinquencies	\$ 9,292.89

Prior Year Delinquencies	\$ 3,960.72
---------------------------------	--------------------

PARCEL	ROLL YEAR	TAX LEVIED	TAX PAID	Delinquent
4137009001	2023	2,558.07	-	2,558.07
4137009011	2023	1,625.96	-	1,625.96
4137009013	2023	1,626.98	-	1,626.98
4137009041	2023	1,626.64	813.32	813.32
4137011111	2023	1,627.99	-	1,627.99
4137011121	2023	2,081.13	1,040.56	1,040.57
4137009001	2021	1,291.29	-	1,291.29
4137009001	2022	2,549.88	-	2,549.88
4137009013	2022	810.88	691.33	119.55
TOTAL DELIQUENCIES				\$13,253.61

<i># of Parcels Delinquent for FY 2022-23</i>	6
---	----------

<i>% of FY 2023-24 Levy Delinquent</i>	3.04%
--	--------------

Information relating to Assessment District Bonds 19-4, Series 2020, for Fiscal Year 2023-2024

Principal Amount Outstanding	\$4,435,000
Balances as of June 30, 2024:	
Improvement Fund	\$40,340
Debt Service Reserve Fund	\$172,039

The balance in the Debt Service Reserve Fund exceeds the reserve requirement.

Taxes Levied and Delinquent for Fiscal Year 2023-2024

As of June 30, 2024

Total Parcels 122

Taxes Levied in FY 2023-24	\$ 331,291.14
Total Paid	326,340.94
Delinquencies	\$ 4,950.20

Prior Year Delinquencies	\$ 4,635.87
---------------------------------	--------------------

PARCEL	ROLL YEAR	TAX LEVIED	TAX PAID	Delinquent
4169022016	2023	2,626.81	-	2,626.81
4169023009	2023	2,323.39	-	2,323.39
4169023009	2021	2,315.87	-	2,315.87
4169023009	2022	2,320.00	-	2,320.00
TOTAL DELIQUENCIES				\$9,586.07

<i># of Parcels Delinquent for FY 2023-24</i>	2
<i>% of FY 2023-24 Levy Delinquent</i>	1.49%

Update of Financial Tables (Not Otherwise Contained in the Audited Financial Statements)

As required by the offering statements for the Series 2021 Refunding, 2021 Fire Station No. 2, 2021 Pension Obligation Bonds, 2016 and 2013 debt issues.

Investment Portfolio Summary

As of June 30, 2024

<u>Type of Investment</u>	<u>Market Value</u>
Cash	\$ 3,867,386
Local Government Fund	36,029,344
US Treasury & Agency Notes	64,622,580
Medium-Term Notes	30,470,210
Funds Held by Fiscal Agent	6,232,379
Petty Cash	1,376
Total	\$ 141,223,275

Unrepresented Unit and Employee Associations

As of June 30, 2024

<u>Employee Unit</u>	<u>No. Full-Time Employees*</u>	<u>Percent of Workforce</u>
Manhattan Beach Fire Association	27	8.3%
Manhattan Beach Police Officers' Association	64	19.6%
Manhattan Beach Police Management Association	7	2.1%
Miscellaneous Unit - Teamsters Local 911	144	44.0%
Manhattan Beach Mid-Managers Employee Association	55	16.8%
Management/Confidential (not represented)	30	9.2%
Total	327	100.0%
<i>* As Budgeted. Excludes elected officials.</i>		
Councilmember	5	
Treasurer	1	
	333	

Historical and Projected Payments to PERS

Fiscal Year Ended June 30,

	<u>2024</u>	<u>2025 (Estimated)</u>
<u>Police</u>		
Employee	\$1,229,040	\$1,116,836
Employer	\$2,144,821	\$2,240,605
Subtotal	\$3,373,861	\$3,357,441
<u>Fire</u>		
Employee	\$695,425	\$667,775
Employer	\$1,281,366	\$1,202,455
Subtotal	\$1,976,791	\$1,870,230
<u>Misc</u>		
Employee	\$1,639,064	\$1,685,830
Employer	\$2,192,484	\$2,313,656
Subtotal	\$3,831,548	\$3,999,486
Total	\$9,182,200	\$9,227,157

Funding History – Classic Police Plan

<u>Valuation Date</u>	<u>Accrued Liability</u>	<u>Share of Pool's Market Value of Assets</u>	<u>Plan's Share of Pool's Unfunded Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>
6/30/2023	167,702,801	159,122,812	8,579,989	94.9%	6,461,342

Funding History – PEPR Police Plan

<u>Valuation Date</u>	<u>Accrued Liability</u>	<u>Share of Pool's Market Value of Assets</u>	<u>Plan's Share of Pool's Unfunded Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>
6/30/2023	2,043,122	1,938,592	104,530	94.9%	3,321,523

Funding History – Classic Fire Plan

<u>Valuation Date</u>	<u>Accrued Liability</u>	<u>Share of Pool's Market Value of Assets</u>	<u>Plan's Share of Pool's Unfunded Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>
6/30/2023	79,869,673	75,220,665	4,649,008	94.2%	4,932,321

Funding History – PEPR Fire Plan

<u>Valuation Date</u>	<u>Accrued Liability</u>	<u>Share of Pool's Market Value of Assets</u>	<u>Plan's Share of Pool's Unfunded Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>
6/30/2023	255,400	240,534	14,866	94.2%	845,009

Funding History – Miscellaneous Plan

<u>Valuation Date</u>	<u>Accrued Liability</u>	<u>Market Value of Assets</u>	<u>Unfunded Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>
6/30/2023	145,262,433	134,468,965	10,793,468	92.6%	22,163,623

Additional Information

The City maintains AAA general obligation ratings from Standard and Poor's. Standard & Poor's last reaffirmed the City's AAA Credit Rating on July 20, 2021.







CITY OF MANHATTAN BEACH
1400 HIGHLAND AVENUE
MANHATTAN BEACH, CA 90266